

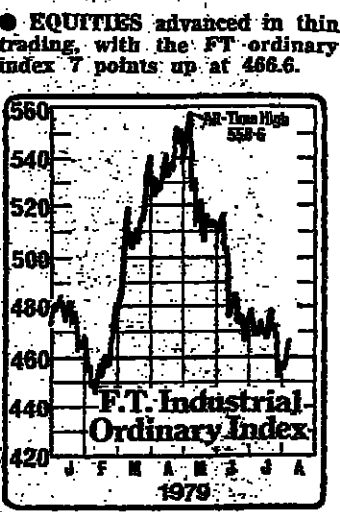


FOR QUALITY OF PRODUCT AND SERVICE FORRESTER FOR STEEL

NEWS SUMMARY

GENERAL Carter takes Israel initiative Equities up 7; Gold up \$1 3/4

President Carter has intervened in an attempt to halt the deterioration of U.S.-Israeli relations over the controversial issue of Palestinian autonomy.



Equities advanced in this trading with the FT ordinary index 7 points up at 466.6.

Forest fire kills campers

About 25 people are thought to have died when a forest fire swept through a camping site near the north-eastern Spanish beach resort of Lloret de Mar.

ITV blackout

Independent television programmes were blacked out in four regions because of the technicians' pay dispute.

Catalonia terms

Autonomy for Catalonia has been agreed by the Spanish Government and an all-party commission.

TA returns

The Territorial Army and Volunteer Reserve is to get back its old title of the Territorial Army.

Moluccan plot

Dutch police have discovered a plan by young South Moluccans to kidnap a Dutch Minister.

Iran protest

About 200 military set fire to military barracks in northern Iran in protest against the execution of a soldier.

Nuclear shutdown

The Netherlands' only commercial nuclear power station has been shut down for the second time in four months.

Briefly

Customer was thought to have died of heart attack when four armed men entered a bank in Co. Wexford, Ireland.

GILTS closed with gains

U.K. and Government Securities index rose 0.41 to 78.11.

STERLING continued to lose ground

STERLING continued to lose ground and closed 2.1 cents down at \$2.218.

WALL STREET rose

WALL STREET rose 14.86 up at 560.41 just before the close.

MANCHESTER LINERS has placed three of its subsidiaries

MANCHESTER LINERS has placed three of its subsidiaries in liquidation.

POST OFFICE has had to borrow £20m

POST OFFICE has had to borrow £20m in the short-term money markets.

ENGINEERING Employers Federation has warned its 6,500 member companies

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AGROW engineering group reports pre-tax profits up from £13.4m to a record £13.78m

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BESTORELL, which is still lending off a £29m bid from BTR, reports a 37 per cent rise in profits for the first half

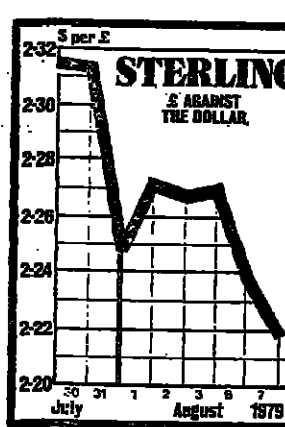
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Growth of money supply still above target range

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Money supply growth is still above the official target range as the Budget measures and the credit squeeze are taking time to curb public sector borrowing and bank lending.

But the rate of expansion has slackened slightly compared with the early summer. These are indicated by the banking figures for mid-July published yesterday.



This is because of a whole series of intermediate influences. Consequently sterling M3 may have risen by nearly 1 per cent in the period.

Atkins may meet Irish Minister in New York

BY STEWART DALBY IN BELFAST AND JOHN WYLES IN NEW YORK

TALKS ABOUT Ulster between Mr. Humphrey Atkins, the Northern Ireland Secretary, and Mr. Michael O'Kennedy, the Irish Foreign Minister.



Mr. Atkins: waiting for letter

Security posed by the current activities of the Provisional IRA. The Northern Ireland Office at Stormont Castle, elaborating on Mr. Atkins' statement.

Smith Brothers' profits drop

BY JAMES BARTHOLOMEW

SMITH BROTHERS, a leading jobbing firm, yesterday announced a profits fall in the year to May 4.

National Freight shares for sale

BY LYNTON McLAIN

THE National Freight Corporation yesterday joined the list of state-owned industries which shares are to be offered for sale.

Mr. Norman Fowler, the Transport Minister, said in London yesterday that the object was to create a company within the scope of the Companies Act.

Subsidiaries

When it becomes a company under the Companies Act it would have the same subsidiaries and interests as now.

The corporation, which has 13 main subsidiaries in road freight, specialised transport and international haulage, made a record trading profit of £20.1m last year.

Other measures in the proposed Transport Bill were also announced by Mr. Fowler yesterday.

SOUTH AFRICA 'DISTURBED'

Mugabe says Smith regime must go

BRITAIN'S RHODESIA peace initiative ran into early difficulties yesterday as Zimbabwe reactions from Zimbabwe Rhodesia and South Africa were accompanied by renewed guerrilla demands for the complete disbandment of the Rhodesian army.



Mr. Mugabe's army must be disbanded

Mr. Robert Mugabe, co-leader of the Patriotic Front said in Mozambique in a BBC interview that the Commonwealth framework for a constitutional conference would only be acceptable if "the regime of Smith and Muzorewa was disbanded completely."

Earlier in the day Mr. Edgar Tekere, a senior official in the Patriotic Front, said in Lusaka that the guerrillas' position "is not contradicted" by the Commonwealth declaration on Zimbabwe Rhodesia.

Mr. P. K. Botha, the South African Foreign Minister, said that his government was "deeply disturbed" by the new Rhodesia initiative.

Britain badly needs South African involvement because of the important role Pretoria could play in putting pressure on the Muzorewa Government.

Advertisement for Hyster trucks, featuring 'Who else has...' and '50 years' materials handling experience'.

Table of price changes yesterday, listing various commodities and their price movements.

Table of contents for the newspaper, listing various sections and their page numbers.



EUROPEAN NEWS

MADRID NEGOTIATES SECOND DEVOLUTION HURDLE

Catalans agree to autonomy statute

BY ROBERT GRAHAM IN MADRID

THE SPANISH GOVERNMENT and the al-party commission negotiating regional autonomy for Catalonia announced agreement yesterday at the end of 20 hours of bargaining.

While the Basque negotiations were essentially between Madrid and a single party, the Conservative Basque Nationalist Party, the Catalan negotiations have been more diffused.

In one sense they have gained this. Article 15, as proposed, concedes full authority to the Catalan Government — the Generalitat — to control all aspects of education.

The same applies to finance. There will be a six-year transition, during which a series of powers will be transferred from Madrid.

New twist in Sindona affair

By Our Rome Staff



THE SINDONA affair erupted again in Italy yesterday following reports that the Sicilian financier had disappeared from New York.

The latest chapter in the scandal, coming only a few weeks after the murder in Milan of a lawyer involved in the liquidation proceedings of Sig. Michele Sindona's former Banca Privata Italiana, has given the Italian media an unexpected field day.

Late on Monday night, Sig. Sindona's lawyers in Italy, issued a statement saying the financier had apparently been kidnapped.

According to the statement issued by Sig. Sindona's lawyers, an anonymous telephone call had been received claiming the financier, who has apparently been missing since last Friday, had been kidnapped.

For the past five years, the Sindona affair has been one of Italy's longest running stories. However, his disappearance comes as a number of Italian left-wing parties and the Republicans are pressing for a parliamentary inquiry.

Sig. Sindona faces charges of fraudulent bankruptcy in Italy. Over the past few years, there has been growing and insistent speculation that he helped several leading Italian politicians and personalities in a number of irregular foreign exchange transactions.

David Lescolles adds from New York: Detectives said yesterday they were treating the case as a "missing person," despite the claims of Sig. Sindona's lawyers that he had been kidnapped.

Italian reserves increase \$2.7bn

BY PAUL BETTS IN ROME

ITALY'S net official reserves increased by \$2.7bn in June over the previous month, largely as a result of the sharp rise in the price of gold.

Reserves at the end of the first half of the year totalled \$25.5bn, with the value of gold reserves increasing from \$14.8bn at the end of May to \$16.8bn at the end of June.

Bank of Italy figures also indicate that convertible foreign exchange reserves rose from \$11.9bn to \$12.4bn during the same period. However, on a year-on-year basis there has been a decline in the balance of payments surplus.

The surplus in June totalled £242bn (£127m) compared to a surplus of £735bn (£388m) during the same month last year.

On the political front, Sig. Francesco Cossiga, the new Prime Minister, assembled his Cabinet for the first time last night to nominate under-secretaries and discuss the Government's programme.

He will unveil the programme tomorrow when the confidence debate, which the government is expected to win following a difficult political compromise, begins in Parliament.

The economic part is widely expected to be an adaptation of the three-year recovery plan drawn up last year by Sig. Filippo Maria Pandolfi. Its main aim was to give Italy stable growth and correct distortions in the economy.

Sir. Cossiga's programme is expected to concentrate particularly on immediate economic problems such as the acceleration in inflation and the energy situation.

Nuclear power dilemma for Ireland

BY STEWART DALBY IN DUBLIN

SOME TENS of thousands are expected to gather on August 17 for another anti-nuclear protest at the beautiful Carnsore Point, near Wexford on Ireland's south-east coast.

There will be whole families camping out for a couple of days, a fair amount of Guinness and other Irish beers consumed, songs sung, speeches made and exhibitions of the dangers of nuclear power mounted.

Despite the festive air, the protesters are in earnest. Besides radicals and proponents of alternative lifestyles, they will undoubtedly include some leading trade unionists, scientists and members of weighty economic institutes.

This could be one of the last remaining chances to stop the Government's plan to build, at Carnsore, Ireland's first nuclear power station. The idea is for a plant of 650MW, to be commissioned by 1987-88 and costing £350m at 1977 prices.

The strength of protests last year, which besides a demonstration at Carnsore in August included copious literature on nuclear power, caused the Government to think again. Having more or less decided to go ahead with the project, Mr. Desmond O'Malley, the Minister for Industry, Energy and Commerce, announced at the ruling Fianna Fail Party's annual conference last February that a public inquiry was to be set up.

This investigation still has not taken place. But following the recent rises in oil prices a number of Ministers, including Mr. Jack Lynch, the Prime Minister, have been throwing out strong hints that nuclear power may be the only answer to Ireland's energy problem.

A decision would seem necessary within the next six months or so if the commissioning date is to be met. The protesters will be anxious therefore to press home the need for a public inquiry soon.

Ireland does have a particularly acute energy problem. If one takes the example of electricity supply, as the recent power cuts in Dublin underlined, the country may not actually have a shortage. But it does have little margin for manoeuvre. It only needs a strike at one plant or faults at others for power cuts to become virtually certain.

The Government's Green Paper on energy, published last July, said that current generating capacity was about 2,500 MW with another 700 MW due on stream by 1983. It estimated, however, that with an 8.5 per cent annual increase in electricity demand over the next decade a total of about 5,000 MW would be needed by 1988 and possibly 5,700 MW by 1990.

Electricity is only part of the problem though, since it accounts for just over half of energy needs it is a large part. The crux of the matter is that Ireland has little energy of its own. Unlike Britain there are limited supplies of coal. There is a small offshore gas field, but no oil. Supplies of peat are smaller than is often believed.

The Government Green Paper says that 80 per cent of Ireland's energy needs are imported. This figure could rise to 89 per cent by 1990, it adds. More pertinently in today's climate, some 75 per cent of the country's energy comes in the form of increasingly more expensive imported oil.

Consumption of energy is put at 7m tonnes of oil equivalent.

Another big French bank lifts base rate

By Robert Mauthner in Paris

FRENCH INTEREST rates, which have been rising sharply over the past few weeks, received another boost yesterday. The last of the three big nationalised banks, Société Générale, was matching its competitor's increase in base lending rates.

By raising its rate for loans to its most important clients from 9.75 to 10.95 per cent with effect from today, Société Générale joins the Banque Nationale de Paris, the Crédit Lyonnais and several large private banks which announced similar increases at the end of last week.

The general movement towards higher bank lending rates comes as a little surprise. The rate for day-to-day money which the banks have to pay to refinance their reserves, has been going up by leaps and bounds over the past few months.

The money market rate which, at the end of last year, was still only 6.5 per cent, yesterday reached 10.5 per cent, a level unseen for several years. It is widely expected to rise by at least another half point in the new future.

In pace with the high cost of money, bank lending rates have risen by 1.25 per cent in two stages during the past two months, and will clearly have to rise again if the present trend on the money market continues.

The authorities have several reasons for their dear money policy. The international trend towards higher interest rates clearly obliges France to keep in step if it wants to defend the exchange rate of the franc, particularly inside the European Monetary System (EMS).

Although France may be unable to postpone indefinitely a readjustment of the Deutsche Mark/franc parity in the EMS, the Government is anxious for the present rate to be held as long as possible.

The acceleration in the inflation rate after this year's rises in the oil price is another motive for tightening the monetary screws.

Given the present slack economic climate, however, too sharp a rise in interest rates is clearly undesirable from other points of view.

Unions to step up pay battle

By David White in Paris

FRENCH TRADE union leaders yesterday warned the Government to expect an intensified pay campaign when workers return from their August holidays.

The Communist-line CGT and the moderate Force Ouvrière, which between them have 3m members, want rises for the lowest paid and special family benefits to compensate for recent increases in public service charges, petrol prices and social security contributions.

Mr. Georges Seguy, the CGT leader, told a news conference that the increases effectively took away one month of a minimum wage-earner's annual pay. "This is no longer austerity, it is pillage," he said, and warned that the CGT would organise a "reply" to the Government.

At the same time, M. André Bergeron, head of Force Ouvrière, told the Government there were "certain limits" beyond which lay "a period of social agitation of which no one can tell what the scope or repercussions may be."

Both statements are more bitter than the unions' hostile reaction last month to the Government announcement that employees would have to pay an extra 1 per cent of their wages to help bridge the health service deficit.

The sharp change in M. Bergeron's tone has to be seen in the context of his strong opposition to the Communists and the prospect of their making capital out of the increases.

NOTICE OF REDEMPTION To the Holders of ENTE NAZIONALE IDROCARBURI E. N. I. (National Hydrocarbons Authority) 6 1/2% Sinking Fund Debentures due September 1, 1981. NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected the lot for redemption on September 1, 1979, at the principal amount thereof \$29,700 principal amount of said Debentures, as follows:

OVERSEAS NEWS Lusaka Agreement poses problems for Britain

BY TONY HAWKINS IN SALISBURY

AS THE British Government tries to implement the Lusaka Agreement on Zimbabwe-Rhodesia in the weeks and months ahead, the vexed-issues of just who runs the Salisbury Government will become increasingly important to the success or failure of the initiative.

Critics of the Zimbabwe-Rhodesia Internal Settlement, which was signed in March last year and fully implemented only when Bishop Muzorewa took office on June 1, claim that it is "defective".

Those who defend the settlement, however, claim that it is a "genuine" majority rule and because the whites have power and influence out of all proportion to their numbers.

Thus, while there is a black majority in Parliament and in the Cabinet and while all "formal" racial discrimination has been abolished, the settlement arrangement is one such case, leaving Mr. Ian Smith and four of his colleagues—including such an avowed right-winger as Agriculture Minister Bill Irwin—holding Ministerial portfolios.

The composition of the Commissions on the public services, the security forces and the nationalised industries ensures a white majority on them. The Commission, yet appointments and promotions for the first five years of majority rule. There are many critics inside Zimbabwe-Rhodesia — white and black — of these arrangements, but the harsh reality is that the black moderates within the Muzorewa Coalition acknowledge the close identity of interests that exists between themselves and the bulk of the white population.

As long as the Bishop and his United African National Council remains the target of international economic sanctions and the escalating guerrilla war waged by the two, mutually antagonistic, wings of the Patriotic Front, they must have white support.

Remove the whites from the military effort and the Bishop's Government would collapse quickly, despite the fact that 80 per cent of the regulars in the security forces fighting the war are blacks.

Mr. Robert Muzareba, leader of the Zanla wing of the Patriotic Front, has emphasised this point on more than one occasion. If the Lusaka Agreement, with its apparent revival of the original Kissinger 1976 proposal to "buy out" the whites, is seen by Bishop Muzorewa as a mechanism for denuding him of white expertise in the military and economic fields and opening the door for a later military take-over by the Patriotic Front, then the Government is unlikely to respond enthusiastically.

Indeed, scarcely a week goes by without a Muzorewa Minister emphasising the need to maintain white skills and expertise not only in the military field but in agriculture, in particular, and in business and Government.

In agriculture for instance, more than 90 per cent of commercial output is produced by fewer than 6,000 white farmers. Of those, fewer than 1,000 produce 60 per cent of total commercial output.

In a country which is one of three in Africa capable of feeding itself and producing an exportable farm surplus and which relies on agricultural produce for upwards of 50 per cent of total exports, the need to maintain whites in commercial agriculture is clear.

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The Bishop and his supporters claim also that the 1979 Constitution follows the Westminster model insofar as the public service is concerned. When Mrs. Thatcher became Prime Minister in May there was no wholesale changeover of senior civil servants. The same has been true in Salisbury, though here there are some notable exceptions. The most notable of course was last week's premature retirement of Mr. Jack Gaylard, the Secretary to the Cabinet Office.

Black ministers emphasise the Foreign Office assertion that General Walls runs the war and tells the Bishop (who is Minister of Combined Operations and Defence as well as Prime Minister) about cross-border raids only after the event, is simply not true. General Walls himself says: "There is no question about who is running the war, the Bishop is."

The General also rejects out of hand claims that Mr. Ian Smith, Minister Without Portfolio in the Coalition, is still running the war. The Commander has frequent and ready access to the Prime Minister.

Officials and Ministers say that Mr. Smith plays a minor role in the new Government. He has an office, without a secretary, in the Prime Minister's office and is therefore available for consultation and advice. As Minister Without Portfolio he has no specific publicised tasks. He is a member of the Amnesty Committee, chaired by the Deputy Prime Minister.

Bishop Muzorewa himself believes Mr. Smith's continued presence in Government is necessary to maintain white confidence until sanctions go and recognition is obtained.

Many whites in Government and outside it would not agree with this assertion. They believe the sooner Mr. Smith goes the better.

Before the leaks from the Commonwealth Summit on the planned new British Commonwealth initiative for a Zimbabwe-Rhodesian settlement, black ministers and white officials were agreed in their assessment that the kind of changes Mrs. Thatcher and her Ministers were demanding to the 1979 constitution would pass through the Salisbury Parliament without any great difficulty.

One black Minister recently back from London said Britain was happy with 90 per cent of the Constitution. The 10 per cent that required change, he thought, would upset a minority of whites, but the majority would accept it.

Minority safeguards are seen as being largely unnecessary so long as the Bishop is running the show. The Bishop is building up a reputation as a moderate, probably too much so. Last month's budget, for instance, was "essentially a white man's budget" and as such a tactical blunder. The Minister of Finance had next to no room for manoeuvre with the "absorbing 37 per cent of total public spending."

But there could, and should, have been some tax and expenditure changes to improve directly the lot of the poor, however marginally.

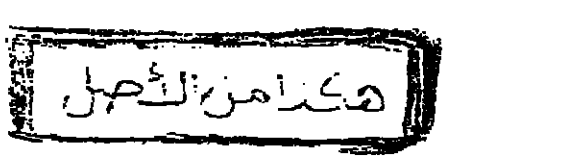
In the months ahead, if the Lusaka initiative is to get anywhere at all, the Bishop is going to have to play more the role of the popular leader and less the moderate looking anxiously over his shoulder at the whites.

If the Lusaka plan stops the war, then of course the Bishop needs the whites far less and can play a freer hand, though the adverse economic effects of this could be severe. On the other hand, if the war continues and if the Bishop sees the planned all-party talks as just another manoeuvre to replace the popularly-elected Government with one that has all along sought power through the barrel of the gun, then he is unlikely to move far enough for the initiative to succeed.

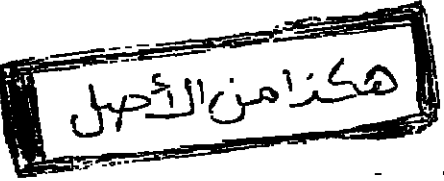
In any event, after their Lusaka talks, Mrs. Thatcher and her advisers must be aware that much of the talk of the need for "genuine majority rule" in Zimbabwe-Rhodesia is a sham. What is at stake is not whether there are or are not white guarantees, or what is the "human rights status" of the Constitution, but power.

Political philosophy and ideology has little to do with the issue. It is a straight power struggle with the white minority being important only to the extent that they have largely sided with the present Administration.

This announcement appears as a matter of record only. Universal Foods Corporation 592,017 shares of Common Stock. The private placement of these shares was arranged by the undersigned. W.M. SWORD & CO INCORPORATED August, 1979







# Dayan launches attack on U.S. 'pro-Arab' line

BY DAVID LENNON

MR. MOSHE DAYAN, the Israeli Foreign Minister, has launched an unprecedented attack on the U.S. in interviews with the Press.

He accused the Americans of taking a pro-Arab line in the fifth round of talks on Palestinian autonomy, which ended here in Haifa yesterday, because it feared for its oil supplies from Saudi Arabia.

No less startling was his attack on dissent within the Cabinet, and the Government's inability to deal with Israel's growing economic problems. Mr. Dayan said he would resign if the Government did not mend its ways.

His outburst was apparently prompted by his belief that the U.S. was using these signs of Israeli weakness to move its policy towards the Arabs, on the assumption that Israel is too weak and divided to be able to do much about it.

The autonomy talks made no progress on the issues which led to sharp disagreement between Egypt and Israel on Monday.

The threatened breakdown of the talks was avoided by the

simple stratagem of not discussing any key subject.

The ministerial teams met only briefly yesterday to approve some technical points agreed to by a working sub-committee. These were on elections for the proposed Palestinian autonomy council for the occupied West Bank and Gaza Strip.

The Israeli, Egyptian and U.S. teams postponed the confrontation over the powers and responsibilities of the self-rule council which had led to sharp disagreement on Monday.

The Egyptian and U.S. proposals that Palestinians living outside the occupied territories should participate in the elections were not raised again after being rejected by Israel.

The parties also avoided any further reference to a contentious proposal for a new UN Security Council resolution which would enable the Palestinians, specifically the Palestine Liberation Organisation (PLO), to be brought into the negotiations.

L. Daniel adds from Tel Aviv: Egypt's handover of the Israeli-

developed Alma oilfield at Al-Tur, on the eastern shore of the Gulf of Suez, and future supplies of Alma oil to Israel, will be discussed in Cairo by Mr. Yitzhak Mordechai, Israel's Minister for Energy. Speaking here before take-off yesterday, the Minister said he would discuss not only the supply of oil from the Alma field to Israel, but the possibility of additional Egyptian sales to Israel.

An understanding was reached, within the framework of the peace treaty between the two countries, that Egypt will sell to Israel a quantity of oil equivalent to the output of the Alma field, at current market prices. Alma now produces 40,000 barrels a day, equivalent to a quarter of Israel's annual consumption. The Alma field is due to be handed over to Egypt in three months.

Israel is interested, in addition to the Alma oil, in other types of crude for which it has suitable refining installations, as well as in gas.

In addition to meeting his Egyptian counterpart, Mr. Mordechai is due to see Mr. Mustapha Khalil, the Prime Minister.

# Spain links with coup in former colony

By Robert Graham in Madrid

THE SPANISH Government was informed in advance and supported the weekend coup in its former African colony, Equatorial Guinea. The Spanish role is emerging from a series of diplomatic moves, apparently related to the coup, and from officially approved leaks in the Press here.

According to journalists accompanying Sr. Adolfo Suarez, the Spanish Prime Minister, on his Brazilian visit, a delegation from Equatorial Guinea's new strongman, Col. Teodoro Nguema, came to Madrid recently to sound out the Spanish attitude to a coup. The Spanish Government, which had no sympathy for the dictatorship of President Francisco Macias, approved the move and promised diplomatic support and subsequent aid.

The Press here has reported that a group of senior foreign ministry officials, including the head of the African department, Sr. Pedro Lopez Aguirre-bengoa, left for Douala (Cameroon) on Saturday—a day before the coup. On Monday Sr. Lopez had a meeting in the Equatorial Guinea capital, Malabo, with the head of state.

The Spanish Foreign Minister, Sr. Marcelino Oreja, who is in Brazil with Sr. Suarez, held a Press conference on Sunday immediately it was known that the coup had been successful.

The Spanish Government approved the arrival of the coup leader's wife Sra Celestina Lima, in the Canary Islands just before the coup.

The Foreign Ministry in Madrid declined to comment yesterday on these coincidences or on the banner headline reports of its foreknowledge.

# Iran muzzles independent press

BY ANDREW WHITLEY IN TEHRAN

JUST FOUR days before the opening of Iran's important Constituent Assembly to approve the country's Draft Constitution the authorities have moved to muzzle Press criticism.

Revolutionary committeemen, acting on the instructions of Mr. Mehdi Hadavi, the revolutionary Prosecutor - General raided the offices of the independent newspaper Ayandegan and took it over.

A radio statement by Mr. Hadavi said the newspaper, popular with middle-class liberals and left-wingers, was being closed permanently because it was counter-revolutionary and had been denouncing the Islamic Republic.

The announcement said Ayandegan had been established with the co-operation of the U.S., the Central Intelligence Agency and Israel and had backed Israel during the Shah's regime.

The newspaper has been confiscated and handed over to the

"Mustazafin" or Barefoot Foundation. Its editorial board has been placed under arrest.

At least two other daily publications, Kayhan Azad and Nedaiye Azadi, are directly affected by the Ayandegan shutdown as they were printed on its presses. According to a government official armed guards were also being sent to the premises of the satirical weekly Ahangar.

The crackdown on the independent Press in Iran leaves only the left-wing daily Peygham - E - Emrouz and a number of small weeklies among the publications which have been critical of the regime.

Yesterday's action resulted from the implementation of new, stricter regulations governing the press, passed by the Cabinet on Monday after the approval of the Revolutionary Council. Among the few known details of the new regulations are provisions for up to two year's imprisonment for articles deemed insulting to the clergy or the Islamic Republic.

On Monday, Dr. Ali Behzadnia, the Director General of Foreign Press in the Ministry of National Guidance, told a western television team being expelled from Iran that a two-month ban on foreign journalists visiting the country was being enforced.

In the raid against Ayandegan 30 armed men burst into the offices and herded those present, including two foreign journalists, into an upstairs room. They were detained for an hour before being interrogated and released.

According to Mr. Fred Halliday, a left-wing journalist and author on Iran, the committeemen said the newspaper had been receiving money from Zionism and was against Ayatollah Khomeini.

Reuter and AP add: Ayatollah Khomeini proposed yesterday

that the Islamic world should observe August 17 as "Jerusalem Day" and should declare solidarity with the "Moslem people of Palestine."

In a statement broadcast by the official radio, he also appealed to Islamic peoples and Governments to unite to halt what he called Israeli attacks on the Palestinians and the people of south Lebanon.

August 17 is the last Friday of Ramadan, the Moslem month of fasting.

Meanwhile, an Iranian army colonel and warrant officer were executed by firing squad yesterday in the north-eastern city of Crumiyeh. The state radio said the two men were condemned by an Islamic revolutionary court for having shot and killed a number of anti-Shah demonstrators last winter.

This brings to 385 the number of reported executions since the revolution in February.

# Beirut shocked by resignation

By Hsan Hjazti in Beirut

THE LEBANESE Cabinet, only three weeks old, has been shaken by the resignation of one of its members, but the Dr. Selim al-Hoss, the Prime Minister, appears confident that a replacement will be found.

Mr. Charles Halou, a former President of the Republic, tendered his resignation yesterday for "pressing health reasons."

He was State Minister without Portfolio, and in charge of national reconciliation efforts.

His resignation has generated speculation that he was exasperated by recent unsuccessful meetings between Moslem and Christian leaders. He stepped down only 48 hours before the Cabinet was due to go before Parliament to ask for a vote of confidence.

Press speculation yesterday implied Mr. Halou might have resigned because he did not want to face questions likely to be put to him concerning his Damascian appointment as President between 1964 and 1970.

# Syrians oppose dialogue between U.S. and Arafat

BY HSAN HJAZTI IN BEIRUT

SYRIA has come out in open opposition to suggestions of a dialogue between the Palestine Liberation Organisation and the U.S. The state-controlled Press in Damascus has given a warning that such a dialogue would be aimed at isolating Syria and dispersing the Arab camp opposed to the Egyptian-Israeli peace treaty.

The Government daily Tichrin asked whether a dialogue between Washington and the PLO would be any different from that between President Sadat and Israel. The semi-official newspaper Al-Thawra said that without Syria's Middle East equation was impossible. The comments came after weekend meetings in Damascus between Syrian officials and Palestinian leaders.

It is not known whether the PLO has been consulting Washington about the current Palestinian diplomatic offensive to win West European and U.S.

# Eglin to quit as opposition chief

By Bernard Simon in Johannesburg

MR. COLIN EGLIN, leader of South Africa's parliamentary opposition, has announced that he is to resign as leader of the Progressive Federal Party next month.

His successor will be elected at a party congress on September 3. It is expected that Dr. Frederick van Zyl Slabbert, who represents a Cape Town constituency, will attract most support.

# Haw Par 'hidden profit' explained

SINGAPORE—The Singapore High Court was told yesterday that a unit trust company was created under a complex accounting scheme to conceal more than £3m made by Haw Par Brothers International, a Singapore investment company, which was a wholly owned subsidiary of the now defunct British Slater Walker group.

Mr. Richard Talling, a British businessman, is facing five charges alleging that he broke Singapore company law in 1972 and 1973 by the operation of Haw Par, of which he was a director and chairman. Mr. Talling was extradited from Britain in March to face the charges. He has pleaded not guilty.

Mr. John Hugo Thomas Scothorne, former financial controller of Haw Par Brothers International, was in the witness box all day yesterday. He has been granted immunity from prosecution by the Singapore authorities and is one of the leading prosecution witnesses.

Mr. Scothorne described a scheme devised by himself and other Haw Par executives to "de-consolidate" from the parent company HK \$36.5m (£3.04m) in profits made by shares sales in the first half of 1972 in Hong Kong.

The scheme involved simultaneously changing the names of two of Haw Par's subsidi-

diaries, book transactions involving HK\$ 10.8m (£899,000) and a cash transaction of HK\$ 7m (£583,000).

In the course of the transactions, which took place in June, 1972, Haw Par Brothers (Hong Kong) changed its name to Grey Securities Ltd on the same day that another subsidiary, Adder Investment Ltd., changed its name to Haw Par Hong Kong Ltd.

Mr. Tan Teow Yeow, Singapore Deputy Public Prosecutor, outlining the case against Mr. Talling at the opening of the trial on Monday, said that subsequent events would help to explain why the names of the companies were changed and why one so closely resembled another.

Mr. Scothorne agreed that the profits of HK\$36.5m made by selling shares in two Hong Kong companies, Kwan Loong and King Fung, caused a problem for Haw Par in declaring its first-half figures for 1972. Under Singapore company law these profits would have to be shown either separately or consolidated with the figures for the holding company.

Mr. Scothorne said he discussed the situation on several occasions with Mr. Donald Ogilvy Watson, then a director of the Haw Par group. Eventually it was agreed that the group should set up the Melbourne Unit Trust (MUT) in Hong Kong which would be owned by four companies which were all Slater Walker subsidiaries. Haw Par Hong Kong, Haw Par High Income, Slater Walker (Hong Kong) and Ida Enterprises Ltd.

When MUT was set up on June 28, 1972, it had assets of HK\$12m (nearly £1m), most of which was in turn invested in two more Haw Par subsidiaries, Grey Securities and Cobra.

Much of yesterday's hearing was taken up by Mr. Scothorne's identification of company letters and Telex messages concerning the setting up of MUT. There are 103 numbered exhibits on submission to the court, mostly company documents.

During the opening hearing, Mr. Howard Cashin, counsel for the defence, said to Mr. Justice Kulasekaram, who is hearing the case: "I don't want to scare you, my lord, but I think you will find there are in fact more than 200 documents altogether."

The case is so complex that Mr. Talling, who is an acknowledged expert in company law and the case, has been granted special permission by the court to sit with his defence counsel so as to advise them.

Mr. Talling was granted similar permission during the many hearings of his appeals against extradition in British courts.

Reuter

# Deng's policies under attack

By Our Foreign Staff

THE MORE liberal economic policies associated with Vice-Premier Deng Xiaoping appear to be meeting unexpectedly strong criticism in parts of China.

In Shanghai, the first secretary of the party committee, Feng Chong—the leading official in the city and a close supporter of Deng—has said that the "radical" influence of the ultra-Leftist followers of Madame Mao was still "deep and wide."

Shanghai was where the Cultural Revolution began and where the radicals had their base. It is also one of the industrial centres in which the leadership has been promoting its policy of linking the promise of higher living standards to greater worker productivity.

Over the last two years the radicals have been purged from senior posts on Shanghai's party committee.

Refugees' journey ON HONG KONG—A British cargo ship which dropped anchor off Hong Kong yesterday with 122 Vietnamese refugees on board is expected to continue its journey to Shanghai today.

Officials who boarded the 12,314-ton Rudd Bank, said that the conditions of the refugees were generally good except for a AP

# The 1979 Corporate Finance Conference

10-11-12 October 1979  
Hotel Inter-Continental London

Wednesday 10 October 1979

9.30-10.45 1. THE INTEREST RATE AND EXCHANGE RATE OUTLOOK — The forward market and its impact — The importance of exchange control in the forecast — Monetary policy and official intervention Mr. K. Polak, Director, Amex Bank Ltd., London.	10.45-12.30 2. RAISING FINANCE IN THE EUROBOND MARKET — Markets available and their characteristics — How to approach them — Recent developments in issuing techniques Mr. David R.W. Pether, Managing Director, Credit Suisse First Boston Ltd.	10.45-12.30 3. HOW USEFUL IS CORPORATE PLANNING TODAY? — Links to corporate structure — Scenarios, options and techniques Mr. R.G. Seidl, Strategic Planning Group, Shell International Petroleum Co.
11.15-12.30 4. THE EFFICIENCY OF THE WORLD MONETARY ORDER — International incompatibility of domestic policies — The fixed, flexible and managed exchange rate regimes — the EMS — Conclusions Mr. K.H. Chouhan, Chief Economist, Ivey & Sims Ltd., Edinburgh.	10.45-12.30 5. FUND RAISING IN THE U.K. — Debentures and loans, risk capital, stock exchange flotations and rights issues — Sources available including the specialist financial institutions Mr. D.H. Ward, Director, Finance Corporation for Industry Ltd.	10.45-12.30 6. A PLANNED APPROACH TO ACQUISITIONS IN THE U.S. — Evaluating strategic opportunities — Identifying candidate companies — Negotiation tactics — Closing the deal Mr. Barry L. Farnum, Vice President, Mergers and Acquisitions Group, Bankers Trust Company, New York.
14.00-15.15 7. THE U.S. DOLLAR — WHAT LIES AHEAD — The short term prospects in light of business cycle trends — Longer term outlook given Dollar overhang and portfolio diversification — The Dollar, Yen and EMS 1979 — The medium term currency outlook Mr. J. McNeill, Associate Director, International Investment Research, Bank of America International.	10.45-12.30 8. CHOOSING FINANCE RESOURCES IN INTERNATIONAL TRADE — Relative advantages of supplies credits compared to independent financing — Are bills of exchange declining in importance? — Letters of credit present and future developments — How to cut transaction costs in financing Mr. Brendan Stone, Currency Economist, Amex Bank Ltd.	10.45-12.30 9. CAPTIVE INSURANCE COMPANIES — Reason for formation — Relative importance of tax considerations — U.S. IRS rulings and cases and implications — Practical guidelines Mr. M.J. Finney, Tax Consultant, Thornton Baker.
15.45-17.00 10. INTEREST RATES OUTLOOK — COUNTRY BY COUNTRY — Accounting for issues, lesser and lesser — The impact of political factors on national economic policies — The recycling of OPEC surpluses — Interest rate prospects in the major industrial countries Mr. S. Lewis, Chief Monetary Economist, Phillips & Drew.	10.45-12.30 11. SETTING UP BUSINESS OVERSEAS — The financial and tax aspects of trading outside the U.K. — branch and subsidiary companies Mr. R. Pickett, Taxation Advisor, The Plessey Company Ltd.	10.45-12.30 12. PROJECT FINANCE — ACCOUNTING CONSIDERATIONS — Loan considerations, exchange effects and discounts Mr. D.P.S. Cade, Partner, Arthur Andersen & Co.

Thursday 11 October 1979

9.30-10.45 13. THE CORPORATE APPROACH TO EXCHANGE RISK MANAGEMENT — Policy objectives — Organizational requirements — Managing the company's positions Mr. J.J. Mueller, Assistant Vice President, Morgan Guaranty Trust Co. of New York, London.	10.45-12.30 14. RAISING OF LONG TERM CAPITAL IN THE U.S. — Public offerings, private placements from the standpoint of the international issuer Kidder Peabody & Co. Inc., New York.	10.45-12.30 15. ACCOUNTING FOR FOREIGN OPERATIONS — Comparative treatment in U.K., U.S. and Canada — The necessity for a cover procedure. — Relating accounting exchange risks to business reality Mr. J.P. Carty, Secretary, The Accounting Standards Committee
11.15-12.30 16. INTERNATIONAL CURRENCY BACKGROUND IN THE EARLY 80'S — The oil situation 1979 vs. 1973 — The Dollar, Yen and EMS 1979 — The basic factors determining currency movements — The medium term currency outlook Mr. J. Kerr, Manager, Economic Analysis Section, National Westminster Bank.	10.45-12.30 17. REFINANCING OF CAPITAL BORROWINGS — Factors influencing refinancing decisions — Implications of refinancing policy Mr. T.A. Finnegan, Treasurer, Elf Aquitaine (U.K.)	10.45-12.30 18. HARMONISATION OF ACCOUNTING IN THE EEC — Existing differences — The progress involved in harmonisation — Achievements to date and future plans Mr. R.K. Perkins, Partner, Arthur Young McClelland Moores & Co.
14.00-15.15 19. TAX ASPECTS OF FOREIGN CURRENCY EXPOSURE — How to hedge in after tax terms — Long term liabilities — a trap for booby Mr. John E. Cline, J.F. Cline & Co. Ltd., International Tax Consultants	10.45-12.30 20. TRANSFER PRICING, PROBLEMS AND POLICIES — Legislative — Different forms of transfer pricing — Practical problems in fixing an arm's length price — Dealing with the Inland Revenue Mr. P.L. Cooke, Tax Partner, Ernst & Whinney.	10.45-12.30 21. THE USE OF DCA TO A LARGE COMPANY AND ITS MANAGEMENT Mr. A.C.B. Wilson, Controller, B.D.C. Limited.
15.45-17.00 22. EFFECTIVE UTILISATION OF SHORT TERM U.S. DOLLAR RESOURCES — U.S. Dollar and U.S. Dollar markets — Other Dollar markets — Liquidity vs. safety factors — Financial futures market and its role for the corporate treasurer Mr. G.M. Thompson, Vice President, Merrill Lynch Int'l Banking Group.	10.45-12.30 23. EXCHANGE CONTROL IN BRITAIN — Outline and history of exchange control — The impact of exchange control on the company and the individual — Recent and prospective changes in exchange control Mr. Robert Miller, Institute of Economic Affairs.	10.45-12.30 24. EFFECTIVE FINANCIAL CONTROLS IN PRACTICE — The basics of a sound system — Developing a system for your particular business — Using the system to improve financial performance Mr. John McMah, Financial Director, Aero Division, Rolls Royce Ltd.

Friday 12 October 1979

9.30-10.45 25. MEDIUM TERM MULTI CURRENCY INVESTMENTS FOR THE CORPORATE TREASURER — Main macro economic factors — Currency fluctuations — Bonds investments in deposits — Domestic bond vs. Eurobond investments Mr. Carlos Menozzi de Lacerda, Vice President, Merrill Lynch Int'l & Co.	10.45-12.30 26. THE GROWTH OF LEASING — Background to the development of leasing in the U.K. and other markets — Considerations for the lessor and lessee — Possible future influences in the U.K. Mr. Arthur Anderson, Managing Director, Midland Mortgage Leasing Ltd.	10.45-12.30 27. WAGE AND SALARY PLANNING FOR 1980 — The 1979-80 wage rounds: current outlook — The exchange rate: impact on wages and profits — Growth prospects for 1980 Dr. Bill Robinson, Senior Research Fellow, London Business School.
11.15-12.30 28. EFFICIENT UTILISATION OF SURPLUS CORPORATE STERLING ASSETS — Nature of funds — Assets available — Term structuring to minimise risk — Tax efficiency — Opportunities Mr. B.D. Green, Director, Hill Samuel Investment Management Ltd.	10.45-12.30 29. EXPERIENCES OF A LESSEE OR LIVING WITH LEASING — The use of leasing in capital expenditure planning — Planning the leasing arrangements — How to live with lessors Mr. C.M. Stuart, Deputy Managing Director, I.C.L. Limited.	10.45-12.30 30. EXECUTIVE REMUNERATION TAX PLANNING IN THE U.K. — U.K. and foreign nationals — Salary vs. fringe benefits — Overseas remuneration Mr. J.F. Stockton, J.F. Cline & Co. Ltd., International Tax Consultants.

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Should you be unable to attend, a full refund will be made for cancellations received in writing or by telex by September 25. Full documentation and 50% refund will be sent for cancellations received by October 8. No refund can be made after this date. Substitutions are always accepted at no extra charge. WJFT



AMERICAN NEWS

WORLD TRADE NEWS

Kahn claims success of pay and price code

BY DAVID BUCHAN IN WASHINGTON

THE GOVERNMENT'S voluntary pay and price standards have so far prevented surging energy, food and house prices spilling over into the basic U.S. inflation rate...



Hugh Rutledge Alfred Kahn seeking comment

changes also reflects considerable dismay inside the Administration about its ability to control the inflation rate...

Mexico may raise oil production to 2.5m b/d

By William Chislett in Mexico City

MEXICO is considering raising its production platform from 2.25m b/d to 2.5m b/d after the end of 1980...

This was stated in an interview by Sr. Jose Andres de Oteyza, the Minister of National Patrimony and Industrial Development...

Japan resuming work on Iran project

BY ANDREW WHITLEY IN TEHRAN

CONSTRUCTION work is to resume late next month or in early October on the giant Iran-Japan Petrochemical Company's complex at Bandar Shahpur...

Privately, Mitsui expects final costs to rise to \$4bn, with an additional \$1bn for infrastructure. But for the moment...

Italian group in deal with China

BY PAUL BETTS IN ROME

ITALSTAT, the Italian State-controlled civil engineering group, has signed a five-year agreement with China to collaborate on construction projects...

Olympic to buy more Airbus

By Michael Dunge, Aerospace Correspondent

OLYMPIC AIRWAYS, which has two A-300 Airbuses in service, and held an option on three more, has now raised its order to five aircraft...

Korean nuclear plant bids

BY RON RICHARDSON IN SEOUL

KOREA ELECTRIC the country's state-owned power monopoly, is to send invitations next month to ten nuclear engineering companies seeking bids for construction of Korea's ninth and tenth nuclear power plants...

Mid-east costs rising, CBI warns

BY ELAINE WILLIAMS

BRITISH COMPANIES trying to win orders in the Middle East face dramatic increases in costs, according to a Confederation of British Industry report...

Desalination plant

Weirteam of Paris, a company in the Weir group has been awarded a £1.5m contract to build a desalination plant in Qatar in the Gulf...

Suarez seeks to even trade with Brazil

BY DIANA SMITH IN BRASILIA

SR ADOLFO SUAREZ, the Spanish Prime Minister, said in a speech marking the start of a two-day official visit to the Brazilian capital that relations between the two countries would be improved by more negotiable approximation between our respective exports and imports...

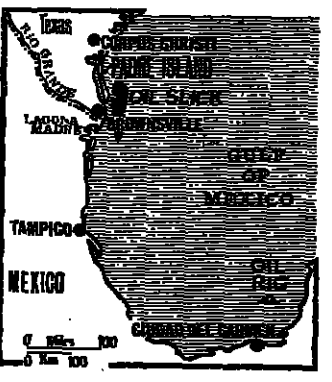
Electric rail cars

ASEA, the Swedish heavy electrical engineering company, has received a further order from the Queensland State Government for the delivery of 33 passenger cars for the Brisbane rail electrification project...

Mexican oil slick hits U.S. coast

BY DAVID LASCELLES IN NEW YORK

THE WORLD'S largest oil slick, spewing from a blow-out off the Mexican coast, hit the U.S. shore yesterday, depositing small tar balls along the beaches of South Texas...



which was discovered by accident by a diver from a scientific vessel, was surprising and could not yet be explained. The boom used by the pollution control vessel reached down only to a depth of 21 ft.

Oil nationalisation call 'a canard'

BY JOHN WYLES IN NEW YORK

THE CALL by the American Federation of Labour-Congress of Industrial Organisations (AFL-CIO) that the U.S. oil industry should be nationalised if it failed adequately to serve the public interest, was dismissed yesterday by Mr. Alfred Kahn, President Carter's inflation adviser, as "a diversion, a canard."

The proposal from the AFL-CIO, which represents 105 trade unions, was made somewhat tentatively by the executive council at its midsummer meeting in Chicago.

with bankruptcy. The AFL-CIO's suggestion that nationalisation of a healthy industry might be justified if its component companies did not behave themselves is clearly intended to keep the industry under a spotlight of public criticism.

Siemens contract

Siemens has been awarded a DM 330m (£80m) contract for telephone installations by Entel, the communications authority of Argentina, AP-DJ reports from Munich.

Data bank terminals

An order valued at SKr 100m (£11m) has been won by Svenska Philips for the supply of data bank terminals, John Walker writes from Stockholm.

CIBIE-Soviet deal

Societe pour l'Equipelement du Vehicule (CIBIE) has been awarded a FFr 20m (£2m) licensing contract for the manufacture of its car headlights in the Soviet Union, AP-DJ reports from Paris.

Bolivia chooses new president

LA PAZ — Sr. Walter Guevara Arze, the former Foreign Minister, has been elected as Bolivia's interim President, the start of a process aimed at restoring civilian democratic Government after 10 years of military rule.

The new President will have a free hand to name his Cabinet, but will have to submit all Bills to Congress. He takes over from the military regime headed by General David Padilla, who seized power last November to speed up a promised return to constitutional rule.

per cent majority needed for direct election. Sr. Siles Zuazo of the Left-wing Democratic Popular Unity Alliance beat Sr. Paz Estenssoro of the Nationalist Revolutionary Movement by only 1,512 votes.

David Buchan, in Washington, spells out the lack of progress on the President's energy programme

Congress leaves Carter empty-handed over the holidays

SENATORS AND Congressmen headed home this week to their constituents and the beaches having left President Carter in Washington virtually empty-handed of the energy legislation he wanted passed.

Table with 2 columns: Proposal and Progress. Rows include Petrol rationing, Oil profits tax, Synthetic fuel, Cutting red tape, Nuclear power, Office heating.

increases imposed by the Organisation of Petroleum Exporting Countries. The House extended the tax at a 60 per cent rate, to cover Alaskan oil, exempting new marginal production, and terminating the tax in 1990 instead of making it permanent as Mr. Carter had wished.

reduce environmental and procedural delays on new energy projects has been support on Capitol Hill in the form of his proposed Energy Mobilisation Board.



Charles Dunge, continued as Energy Secretary

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هكذا من العجول

# Callaghan will try to defuse Labour Party power struggle

BY ELINOR GOODMAN, LOBBY STAFF

MR. JAMES CALLAGHAN, Leader of the Opposition, will use a meeting of trade unionists next week to spell out his views on where the Labour Party should be going in an attempt to stop left-wing proposals for radically changing the party structure being endorsed by conference this year.

Mr. Callaghan, who has suffered a series of defeats on the party's Executive, has the backing of many MPs in opposing NEC proposals for greatly reducing the influence of the Parliamentary Labour Party in general and the leadership in particular, over such central issues as the drafting of the manifesto and the election of the leader.

# Big rises and an old title for military reservists

BY REGINALD DALE

BRITAIN'S 70,000 volunteer military reservists are to receive big pay rises in a major drive to strengthen the back-up they provide for the regular armed forces.

The new name had "never really caught on," commented Mr. Pym. Volunteers who complete 27 days' training will now receive a tax-free bounty of £100 in the first year, £270 in the second and £300 in the third and subsequent years, backdated to April 1, 1979.

# Lord Seebom to retire as finance body chief

FINANCIAL TIMES REPORTER

LORD SEEBOM is to retire as chairman of Finance for Industry at the end of this year. He will be succeeded by Lord Caldecote.

Industry, depending on the role that Lord Caldecote may wish to play. Lord Caldecote, aged 61, is chairman of Delta Metal Company and Legal and General Assurance Societies and a director of Consolidated Gold Fields and Lloyds Bank.

# Higher aviation fuel tax 'could help save energy'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

INCREASED taxes on aviation fuel could lead to fuel conservation in civil aviation, and should be considered in detail by the Government, according to the Advisory Council on Energy Conservation.

they are then likely to want, partly because of high civil aviation demand. The council says much work is in progress in the aerospace industries world-wide to produce aircraft and engines that are more fuel-efficient.

# Housing allocation cash limit cut by £50m

BY MICHAEL CASSELL

THE DEPARTMENT of the Environment yesterday announced details of the revised housing capital allocations outlined after the Budget.

Mr. Heseltine confirmed yesterday that private sector improvement grants, mortgage lending for house buying and housing association activity financed by local authorities would all have their original allocations.

case, the right to roll on up to 10 per cent of their annual allocation into the next financial year and this facility would be retained.

Nevertheless the move means that local authority housing activity will now be at some of the lowest levels in post-war years.

Public sector housing starts this year, including those made by new towns and housing associations, are unlikely to reach more than 90,000, against 107,000 in 1978. They are expected to fall further in 1980 and 1981.

Local authorities have, in any case, the right to roll on up to 10 per cent of their annual allocation into the next financial year and this facility would be retained.

# GLC £40m homes bill

BY ANDREW TAYLOR

THE Greater London Council might face a repair bill of up to £40m after a High Court ruling on five overspill estates in Andover, Hampshire.

installed. The High Court has ruled that the GLC must accept responsibility for any construction and design defects. The GLC is to appeal against the decision.

# Halifax chief sees prices levelling off

BY ANDREW TAYLOR

THE SHARP rise in house prices over the past 18 months should now begin to level off, Mr. Albert Thayne, chief general manager of the Halifax Building Society, said yesterday.

It seemed likely that average house price rises for the remainder of the year would be largely dependent upon the prevailing rate of inflation throughout the economy, Mr. Thayne said.

# Restrictions on factory sizes revised

FINANCIAL TIMES REPORTER

The Government yesterday brought into effect its plan to allow factory buildings of up to 50,000 sq ft to take place without having to obtain an industrial development certificate.

announced by Sir Keith Joseph, Secretary for Industry, last month. As a result of the raising of the IDC exemption limit, the Government has also discontinued the scheme launched last November by which local authorities in the intermediate areas, or those in areas outside the scope of aid, could build advance factories of up to 60,000 sq ft for companies within their boundaries or for new companies.

# Wedgwood in \$35m loan talks

By Andrew Fisher

THE WEDGWOOD pottery group is holding talks which could result in granting a \$35m convertible loan to Italy's leading ceramics company, Pozzi Ginori.

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This loan scheme is designed to help you exactly when you need it. When you want to invest in new plant, equipment or premises. When you're about to break into new markets. Or expand your fleet of vehicles. Or diversify your range of products. We've structured the Enterprise Loan Scheme in a way that helps you through an expansion period. It covers loans in the range £25,000 to £250,000 or more with interest linked to base rate. Repayments would be spread over periods of up to 10 years. We tailor the period to fit in with your expansion programme, which is especially helpful if you're investing in new production capacity that may not begin to pay its way immediately.

As an added feature, if you put a proposition to us we may offer, in selected cases and at our cost, the advice of our Business Advisory Service to assist in the arrangement of the loan.

**Asset Loans**

This scheme is ideal for someone starting up who needs money for premises, machinery or vehicles. Loans can be provided in excess of £5,000 and up to £25,000 and may cover 100% of the cost. Repayments can be spread over 5 years, on a fixed monthly basis at a flat rate of interest, so that you know in advance exactly what your outgoings will be. Naturally, for both schemes we expect you to put up a sound case for borrowing the money. And we can even help with that. Because one of the subjects covered in the Lloyds Bank Finance handbooks is how to present financial propositions clearly and convincingly. To find out more about our loan schemes and to get your free copies of the handbooks, just contact any Lloyds Bank manager. Advice, encouragement and money. They're all at the sign of the Black Horse.

**More help for business. At the sign of the Black Horse.**

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proj... Olympic... Airbus... says



UK NEWS

Pension rights payments 'too high'

By Eric Short
EMPLOYEES receiving compensation for unfair dismissal are, in general, being awarded higher payments for loss of pension rights than is justifiable under normal actuarial calculations, says Harris Graham and Partners, international employee benefit consultants, in its latest newsletter to clients.

Harris Graham claims favourable treatment arises because decisions of the courts seem to be based on a lack of understanding of pensions and how they are funded. And this is creating concern among pension lawyers, actuaries and other interested professionals.

The report points out that pension rights form a major source of personal wealth in the UK. Thus it finds it surprising that so little is made in unfair dismissal cases on the loss of pension rights. Court decisions flow from one particular case—Copson v Eversure Accessories Limited.

The law report on this case is lenient and complex. But the basis set out for calculating the loss of pensions is relatively simple. The overall contribution paid by the employer into his company's pension scheme is accumulated, at a suitable rate of interest, over the relevant period of service. This sum is then reduced to allow for the pension rights being transferred from a pension into an accelerated lump sum payment.

Harris Graham says the employer's contribution is usually put into a common pool to fund the entitlement of all employees, past, present and future. There is no direct relationship between the amount of the employer's contribution and the rights accruing to employees. It believes that it is extremely difficult to assess in practice a fair allocation of the contribution between existing employees.

The newsletter urges that a method of guidance should be evolved to help industrial tribunals evaluate lost pension rights on a sounder basis. One such approach could be for company representatives, in defending unfair dismissal proceedings, to prepare their case on the question of pension right loss. If necessary, they should guide the tribunals towards a better understanding of pensions.

Manchester dry docks to close

By Rhys David, Northern Correspondent

THE MANCHESTER Dry Dock Company and two associated concerns, Container Workshops and Morrell Mills, have been placed in voluntary liquidation by the parent company, Manchester Liners. They will close on Friday and nearly 450 jobs will be lost. The closure was announced yesterday by the liquidator, Mr. Robin Stewart, of chartered accountants Deloitte Haskins and Sells. Last year the three companies made losses of £300,000 and accumulated losses over the past four years were more than £1m.

The dry docks lost £163,000 last year. The companies have been seriously affected by the world shipping recession which has reduced the number of vessels using the Manchester Ship Canal and the demand for repairs.

The former chairman of Manchester Dry Docks, Mr. Douglas Paybody, who was appointed by Manchester Liners 2½ years ago to try to pull the three companies around, yesterday criticised the price-cutting policies of British Shipbuilders. He said that although the company had been able to find business it had been forced to quote 1978 prices while paying 1978 wages. Losses could have been reduced with more flexible working arrangements but it had proved impossible to negotiate these with the trade unions, Mr. Paybody maintained.

Mr. Stewart said yesterday that he would be trying to find a buyer for the companies' three dry docks which have provided a service for users of the Manchester Ship Canal for more than 80 years. But the scale of any revived operation was likely to be much smaller than the existing business.

Purchasers were also being sought for Container Workshops, which repairs containers and for Morrell Mills, which provides engineering services. Mr. Stewart said he would discuss the closure with Department of Industry officials. But it is thought extremely unlikely that any form of government assistance will be available for the company.

Trade union officials have reacted strongly to the closure. They allege that without dry dock facilities Manchester's future as a port could be threatened. This is denied, however, by port officials who point out that other facilities are available nearby on the Mersey and that not all ports have associated ship repairing.

Manchester Liners has been an important customer of the dry docks company, which it acquired in 1974, but it has recently moved some of its operations from Manchester, which can accept vessels only up to 13,000 tonnes.

Manchester City Docks had a turnover last year of about £2m with the two associated companies contributing a further £1m in turnover.

A creditors' meeting is due to be held on August 30. The principal creditors are Manchester Liners and the big banks.

Ship trainer may cut oil spill risks

By Lynton McLean

THE GOVERNMENT has ordered a £1m maritime simulator for training officers in the safe operation of large vessels, including tankers, with the aim of cutting pollution risks. The order comes six months after MPs called for Government investment in simulators as a matter of "high urgency" after the Amoco Cadiz super-tanker crash off Brittany last year.

Marconi Radar Systems of Chelmsford, part of GEC-Marconi Electronics, will build the ship handling trainer. The Marconi "Tepigen" system uses computers to generate life-size, all-weather colour television pictures of conditions as seen from the bridge of a large vessel. "Tepigen" will provide day and night training, unlike most other systems in the UK.

MPs on the Commons trade and industry sub-committee of the expenditure committee said that 75 per cent of shipping accidents were caused by human error. There was an urgent need for new equipment for training recruits and for refresher courses for serving officers.

The Marconi order will be funded by the Industry Department's Ship and Marine Technology Requirements Board, which assesses the potential of technology for the shipping industry as candidates for State aid.

A CONTAINER SHIP designed in the bottom of the ship, the Westgate Shipping, the British agents, said yesterday that the ship's design would reduce the risk of damage to cargo by eliminating double handling in Nigeria. The Baco Liners owned by Rhein-Mass and Seewest, West Germany, is expected to be the forerunner of a fleet of similar vessels.

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EEC plan could upset the scrumpy applecort

By Christopher Fairfax

THEY'RE PROBABLY never heard of a scrumpy apple. But in the European Commission, it is being talked about. Scrumpy is a traditional apple variety from the West of England. It is a scrumpy apple because it is a scrumpy apple. It is a scrumpy apple because it is a scrumpy apple. It is a scrumpy apple because it is a scrumpy apple.

But this gap in their education is being filled by Mr. Tony Speller, Tory MP for North Devon, who is voicing in Brussels the complaints of British farmhouse cider makers, who see their craft and trade threatened with death from taxation as a result of EEC harmonisation proposals.

Their sketchy proposals suggest that it plans to harmonise excise charges on alcoholic drinks throughout the Community area approved, the price of scrumpy—which would be classified along with vermouth—would rise more than double.

Mr. Vic Churchward, a scrumpy seller of Palantou, Devon, claimed yesterday that the existing duty of 24.2p a gallon would rise to £2.25. After allowing for VAT, his product would have to be sold at £5.20 a gallon, compared with the present price of £1.76.

"They intend to put the duty in line with wine," Mr. Churchward said. "What they don't allow for is that you drink wine by the glass, but you drink scrumpy by the pint."

Write off Captain Nigel Thimbleby of Chalmers, Dorset, said the proposals were likely to write off the whole industry. Old-age pensioners who account for much of UK consumption will not be able to afford the £5 and £10 bottles (holidaymakers) with plenty of pocket money will be put off.

Scrumpy "high-fog" when regarded as something special by consumers and the authorities in Britain. Apart from its renowned tendency to render the "fantastic drinker's" less unseverable in double-quick time, it is a key link in the rural economy of the West Country.

In the past it has been common for men to take a scrumpy ration as part of their wages. Farmers for centuries have regarded it as a valuable supplement to income from other enterprises. Traditional apple types are now less used, but the cider press provides a remunerative processing station for windfalls, damaged fruit and other apples deemed unfit for sale as a consumer market commodity. It is standardised Golden Delicious and Cox Orange Pippins.

The murky brew, usually sold at 6 to 8 degrees proof, compared with 3 or 4 degrees for most beers and commercial ciders, is as much part of life in the West as Newcastle Brown in the North East.

Special status has long been granted to scrumpy. It has received tacit acknowledgement from the Customs men. The drink could be sold duty free until 1976, and even now duty and licensing rules barely impinge on the trade. An unlicensed maker can still sell scrumpy provided customers take it away in lots of 4.5 gallons or more. A person making or selling 1,500 gallons a year or less is still exempt from duty. There are, however, few producers brewing such small quantities. For the business to be worthwhile an annual output of about 5,000 gallons is essential.

In spite of the limited legal requirements, the trade of scrumpy has many small producers who have stopped making scrumpy in recent years because of the complex bookwork needed. Sales have also been hit by inevitable price increases and the introduction in 1976 of a modest rate of duty. Distribution has been hampered by the reduction in the number of "free houses" as the big brewers have taken over.

But the drink has survived all these pressures and sales have received a boost by the revival of consumer interest in natural products and real ale. Scrumpy is simply pure, fermented apple juice with no additives. Legends of skinned corkscrews and other assorted dauntless tales, which are "pure moonshine".

The drink's most important attractions are its cheery and strength. The makers say they avoid the worst lot of the crop by selecting the best of the crop. It is distilled at all, it would most likely end up as little more than a curiosity for sampling by the grocer.

Mr. E. H. Asserson has been made chairman of DELTA METAL OVERSEAS following the retirement of Mr. A. F. Thomas.

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Cheshire appeal to Industry Secretary over lost aid status

By Rhys David, Northern Correspondent

THE CONSERVATIVE-controlled Cheshire County Council has joined the list of local authorities in the North which have expressed strong reservations about Government cuts in aid to industry and the regions, and has appealed to Sir Keith Joseph, Industry Secretary.

The county is to lose its intermediate area status under the changes and is concerned that it will be at an even greater disadvantage in attracting investment compared with nearby areas, including Merseyside, which enjoys special development area status.

Under the Government's new regional policy, announced last month, Wrexham, just across the border from Cheshire, has also been upgraded to a special development area, and it seems likely similar status will be conferred on Deeside in order to cushion the effects of the proposed closure of steelmaking at Shotton next year.

Shotton workers in unassisted Cheshire are no less unfortunate than those living in the new Wrexham special development area and have an equal prospect of facing long-term unemployment," the letter states. It requests retention of intermediate area status for Cheshire at the very least, to reflect the likely high unemployment rate in the area.

About 15 per cent of the Shotton labour force lives in western parts of Cheshire, and the county is claiming that unemployment among men in the town could rise to more than 10 per cent if the closure goes ahead.

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MP seeks monitor on security

By Elaine Williams

THE GROWING private security industry should be monitored and regulated by a public body, Mr. Bruce George, Labour MP for Walsall South, has told the Home Office.

In a lengthy report, Mr. George sets out detailed plans for a scheme to set up a Private Security Registration Council in which all security organisations and their employees would have to be registered.

The proposals include a draft Bill defining the power of the council. Mr. George's intentions in suggesting the scheme are to improve the industry's competence, to establish an element of public accountability, to improve employment conditions, to avoid the likelihood that individuals with serious criminal records might enter the industry, and to extend protection for clients of security services and for the general public.

Last spring the Home Office issued a discussion paper saying that controls on the private security industry would cost millions of pounds to run. Mr. George's submission is a response to that paper. He emphasises that whatever cost is incurred is necessary.

The costs will, in any case, not be formidable and the costs of registration will be borne by the applicants, which will go some way to meeting the costs of the council," the report says. The British Security Industry Association, which represents four-fifths of companies in the sector has offered to finance establishment of a body to regulate selection and training of employees, an area where it feels there is most public concern.

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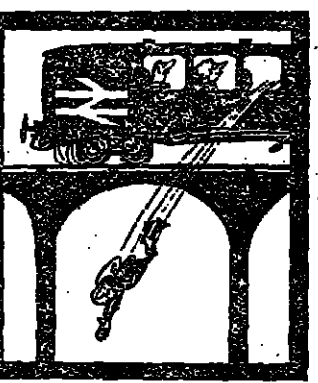
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Keeping British Rail above water



Other Men's Jobs: John Griffiths dives in with the British Rail frogmen.

cellar-at-midnight simile for the Clyde's notorious waters at Glasgow's Central Station bridge). In the late 1960s, when many of its rail-bearing structures were coming up for a century old, the Region introduced this formal code of practice, incorporating regular underwater examinations. It advised divers to work within the organisation and within a few months, after a rigorous training programme with the Glasgow police frogmen's unit, the four-man BR squad was ready for action.

Since then, however, the squad has shrunk: Ernie Apicella and John Wilson, both original members, now comprise the entire regular diving team; Alex McCourt goes with them whenever his broader role as the Region's south-west division works and bridge assistant allows. Nevertheless, they do not find too much difficulty in maintaining an inspection schedule which one day will find them scrambling in feet of water around a bridge across a trout stream deep in Dumfriesshire, the next embarking on a week-long inspection of the levitation which straddles the deep and treacherous Tay.

The scouring effect of fast-running water is the main enemy rather than salt water, says Alex McCourt, "where in an extreme case you could be left with just a pile of bricks lying on top of each other." It is something of a testament to their mainly Victorian builders that none of the Scottish Region structures has been found in need of major attention. With the 150-mph Advanced Passenger Train due to make its national debut on the main west coast Glasgow-Euston line, water safety reasons are inspected during a three-year cycle.

Alex McCourt, a civil engineer at the Region's Glasgow headquarters in charge of the underwater inspection programme, reckons that since it was put on a formal schedule ten years ago, the Region has saved many thousands of pounds in potentially major repairs; to say nothing of preventing the 22.30 taking an unscheduled header into the Tay. (Or, worse yet, the Clyde—it is with the depth of feeling that comes only from intimate acquaintance that Ernie Apicella invokes the coal-

It is that part of their work which makes sense of some of their earlier training, when police instructors had them leaping in and out of Glasgow's murky Queen's Dock packing simultaneously aquatics and 56 lb weights like a pair of suicides hedging their bets. The work is sometimes hard and, when working 40 feet down between the big tides of the Tay, potentially dangerous. Safety precautions are strict; lifelines are invariably used in deep and hostile waters and the men never dive alone. But in spite of what is clearly a cost-effective and highly valued operation for the Region, it is hardly a candidate for prestige advertising of the "British Rail—working for you" category. This particular BR elite travels around in an unmarked, battered blue van with the sandwiches bouncing around among the air bottles. However, as Ernie Apicella, a stocky 42-year-old, makes clear, the trappings aren't important. The diving activities are virtually in the category of a paid hobby, and even when the summer diving programme is over—though they are subject to a year-round call-out—they can be found each month scratching around the bottom of Loch Lomond for practice. Certainly their motivation is not financial. The voluntary diving work secures "only a bob or two" more above their pay for their job during the remainder of their year at Glasgow's Moorhouse Junction workshops.

So why not take their acquired expertise into the far more lucrative if distinctly perilous waters of the North Sea? Neither diver feels lured by the prospect, although Alex McCourt did have an opportunity to go to the North Sea training school at Fort William. The chief engineer said I could go—but only as long as I promised to come back. But the clincher was that Mrs. McCourt was none to keep—and a frogman can't get far with his flippers nailed to the floor.



British Rail frogmen Mr. Alex McCourt (left) and Mr. Ernie Apicella (right) inspect the foundations of the Dryde Viaduct near Lockerbie, Dumfries.

Managing director for CJB

Mr. Ted Barister has been appointed managing director of CONSTRUCTORS JOHN BROWN and joins the Board of the process engineering and construction division.

Mr. David D. Wakefield, a senior vice-president of Morgan Guaranty Trust, has been appointed as a director of DENTSPLY INTERNATIONAL with his initial term ending at the 1981 annual meeting of stockholders.

Mr. S. O. Banjo, previously director of banking operations, has been appointed managing director of the NATIONAL BANK OF NIGERIA. He takes over from the expatriate Mr. J. A. Court, whose service with the bank will continue in an advisory capacity. The new managing director started his banking career with National Bank of Nigeria early in 1964 as a clerk and has served in various capacities both in Nigeria and abroad. He was manager and administrator of the London branch from 1964 to 1968.

Mr. George Cummings has taken over as head of TARMAC's major projects division from Mr. John Doherty who has joined the management team of Tarmac's London-based international organisation.

Mr. Robin Gates, research and development director, has been appointed director of overseas sales for FARMKEY.

Mr. K. C. Scobie has been appointed divisional manager of H. C. SLEIGH (UK). He will be responsible for the activities of the Sleigh Group of companies throughout Europe, Africa and the Middle East.

Mr. Andrew McIntosh, personnel and industrial relations manager of Smurfit Flexible Packaging, is to be appointed senior director of ALLIANCE SMURFIT CASES.

Mr. Donald Campbell, group managing director of the BONNEVILLE INTERNATIONAL Scottish group, has been appointed group executive chairman and Mr. Chester L. Mosley has been made group managing director. Mr. Campbell will be concentrating on longer term development plans related to the UK operations of the Gulf and Western energy products group and also to the group international operations.

Mr. J. A. D. Thom, recently retired group Board director of Tunnel Holdings, has accepted an appointment in a non-executive capacity as a director of STAFFORD ROBERT AND PARTNERS.

Mr. Ivor Emberey has been appointed assistant general secretary of the INSTITUTE OF MANAGEMENT SERVICES in succession to Mr. Jim Pittman who has retired.

The Secretary of State for Trade has appointed Mr. Donald F. Rees to be EXPORT GUARANTEES ADVISORY COUNCIL.

Mr. James F. Bandrowski has been appointed director of planning for DI GIORGIO CORPORATION, San Francisco.

Mr. Tony Yates-Watson has been appointed finance director of MATHESON FREIGHT SERVICES.

FOSROC CONSTRUCTION CHEMICALS has appointed Mr. P. A. Jeffs in co-ordinate and direct its activities in South East Asia and the Far East. He is based at the Kobe head office of the Fosroc Mincep Group company, Fosoco Japan.

Mr. Gordon C. Pettitt has been appointed regional vice president of BRITISH RAIL. He succeeds Mr. Maurice C. Holmes, who has become chief operating manager, Southern Region. At present chief passenger manager, Western Region, Mr. Pettitt goes to Liverpool Street, London, on August 13.

Mr. H. T. J. Burnidge has joined the Board of CENTROVINCIAL ESTATES as a non-executive director.

Mr. A. Everitt has been appointed director of the MIDLAND GROUP NOTTINGHAM.

Mr. James Coles, president of PMI Mortgage Insurance Company in San Francisco, has been appointed president of IMPERIA CORPORATION in succession to Mr. V. L. Viskas.

Mr. Roger William Marsh is the new chairman of THE SHEFFIELD BRICK GROUP. He succeeds Mr. Charles G. Buck who has retired. Mr. Peter Neal Staniland, company secretary, has been appointed to the Board.

ARTHUR ANDERSEN AND CO. is admitting to partnership on September 1. Mr. V. J. Ellis, Mr. W. E. Farner, Mr. D. J. Perry, Mr. H. M. Scott, Mr. E. J. Simmons and Mr. J. N. Woolf. They will be based in the London office.

Mr. E. H. Asserson has been made chairman of DELTA METAL OVERSEAS following the retirement of Mr. A. F. Thomas.

Mr. Edward Mooto has been appointed regional vice president for Europe, West Africa and the Middle East, for GULF TRADING AND TRANSPORTATION COMPANY, a division of Gulf Oil Corporation. He succeeds Mr. D. J. Thomson who has moved to Gulf Oil's headquarters in Pittsburgh, Pa. as vice president supply and transportation, Gulf Trading and Transportation Company.

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### OUTSIDE HOUSE PAINTING NOW ELIMINATED

Another benefit of modern technology is available to the home owner. An exterior wall coating so tough and durable that it is guaranteed to eliminate exterior house painting for 15 years. This remarkable development is Kenitex Textured Coatings.

Developed during the last war in the U.S.A., and now manufactured in 34 countries, there are over six million Kenitex applications on homes, as well as commercial and industrial buildings throughout the world. In the UK thousands of applications remain in perfect condition after more than 19 years' exposure in all weather conditions.

Kenitex weatherproofs and decorates. It is applied in one quick spray application, without inconvenience, up to 20 times thicker than ordinary paint. Kenitex seals holes and cracks and hides building defects, yet does not conceal the original architectural lines.

Shot from a gun  
Kenitex is factory guaranteed for 15 years against chipping, flaking and peeling. It is extremely flexible and withstands all normal building expansion and contraction. Actually shot from a gun, Kenitex fuses to the building walls. It is available in a variety of beautiful modern colours. Kenitex performance is backed by Agreement Certificate 79/628. The cost is surprisingly low—obtain free information by phoning 01-570 4605 (24 hrs.) or writing to Kenitex Chemicals (UK) Ltd., Dept. F, Freeport, Hounslow, TW4 5BR (no stamp needed). Qualified contractors throughout the UK are prepared to quote without obligation and home improvement loans are available. A limited number of dealerships are open for enterprising companies to take on sales and application of Kenitex throughout the United Kingdom.

## Support for Times formula

BY NICK GARNETT, LABOUR STAFF

THE EXECUTIVE council of the National Society of Operative Printers, Graphical and Media Personnel decided yesterday to recommend to its members at Times Newspaper the return-to-work formula agreed between management and print union leaders.

by chapel officials. A statement from the council said it was recommending the original formula as agreed between national officials and management "as the basis for a return to work".

The attitude of chapel members is still unclear. A meeting last week of 300 of the union's 2,500 workers at Times Newspapers on the return-to-work formula was indecisive. Chapel officials of NATSOPA have demanded, among other things, that new pay agreements should be concluded satisfactorily before republication and that traditional methods of chapel negotiation should continue. These changes to the formula have not been accepted by the executive council.

A few points have still to be cleared up, but both the union and management consider them to be minor. Members of the Society of Lithographic Artists, Designers and Engravers have accepted a new operating agreement. Most all members of the Society of Graphical and Allied Trades had by late yesterday accepted the return-to-work formula.

## Defence workers accept 22-30%

BY NICK GARNETT, LABOUR STAFF

UNION NEGOTIATORS representing 166,000 industrial civil servants yesterday accepted basic pay increases of 22 to 30 per cent.

But they did not accept proposals on staging the payments, and are reserving their position on the negotiations pending meetings with Ministers in the Civil Service Department.

The Department has offered to stage the rises, based on the findings of the Pay Research Unit, by paying 9 per cent from July 1, 5 per cent from November 1, and the rest from next April 1. This is in line with staging accepted by white-collar Civil Service unions.

There are also increases in special efficiency scheme payments, improvements in allowances, and the payment of average earnings, rather than basic rates during holidays.

## Civil servants to see Howe

BY GARETH GRIFFITHS, LABOUR STAFF

SIR GEOFFREY HOWE, Chancellor of the Exchequer, is to tell Civil Service Unions today the implications of staff cuts that the Government is considering.

The options are for cuts of 10, 15 or 20 per cent in Government departments.

Sir Geoffrey is to meet the Inland Revenue section of the Treasury in the morning and the Customs and Excise section in the afternoon.

## Pilkington faces more disruption

By Our Labour Staff

NATIONAL OFFICIALS and shop stewards of the general and Municipal Workers' Union are meeting tomorrow to discuss possible industrial action against the Pilkington glass company.

This follows yesterday's one-day strike, which halted production.

The union, which represents 8,000 process workers, at Pilkington, is almost certain to decide on further action. This may take the form of an overtime ban or a policy of no co-operation, although the possibility of further strikes will be discussed.

The company said last night that the testers had decided to continue their stoppage and the company could no longer guarantee "employment in other areas of the factory."

## Tailors criticise equity plans

BY OUR LABOUR STAFF

THE Equal Opportunities Commission's proposals on health and safety at work regulations have been strongly criticised by the 120,000 strong National Union of Tailors and Garment Workers, which has a 90 per cent female membership.

and limiting their opportunity to work on ships, inhibits equal employment opportunity. The Health and Safety Executive is considering the proposals.

The union fears that if the regulations are altered, some companies would introduce shift work on a greater scale into the clothing industry.

## AUEW picks outsider

The Amalgamated Union of Engineering Workers is to propose Mr. George Guy, general secretary of the Sheetmetal Workers' Union, as one of its four nominees for seats on the TUC General Council.

## Power workers attack Chapple

POWER WORKERS' national shop stewards criticised Mr. Frank Chapple, leader of the electricians' union, over their pay deal last night.

"In future, there is no way in which Frank Chapple and company will be allowed to go ahead and do a deal with the board and exclude the shop floor."

# MENACE, MYTH OR MAGIC FORMULA?

see page 11

# Chubb investment in the 70's. Your best guide to protection in the 80's.

The following is extracted from the Chairman's Review:

"For the first time Group turnover exceeded £200 million, increasing 8.7% over the previous year. Profit before tax increased by 12.8% over the same period. Certainly over the post-war period it is hard to think of a more difficult year both at home and abroad for businesses such as ours...

"Much has been said about the electronic revolution and its impact on British Industry. Your Board sees this as an opportunity to be grasped in the various types of security we provide for our customers, and, as was anticipated at the time of the Rights Issue during the year, the level of development expenditure in this area has been stepped up. It is our policy to write off the cost of development as incurred in the year, and this point needs to be borne in mind in assessing the figures shown in the analysis of operations...

"It is a matter of astonishment to me that Chairmen of companies seem to be expected to give

a forecast of the future when there are so many imponderables on the political and economic scene. This dilemma is even more apparent in relation to an international group of companies. One thing is certain, there will be an increase in the need for security against both crime and fire, and your Company is well poised to shield its customers from these dangers with corresponding benefit to our shareholders."

Hayter  
Hayter, Chairman 27th June 1979

Statement of Group Profit for the year ended 31 March 1979.

	1978 £000	1979 £000
Group Turnover	199,254	218,614
Group Profit before Taxation	15,823	18,255
Group Profit after Taxation	9,142	11,419
Attributable to Chubb & Son Ltd	8,866	11,014
Dividends	1,908	3,285
Earnings per ordinary share	17.04p	19.58p

Chubb & Son Limited

14-22 Tottenham Street, London W1P 0AA.





# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## ENERGY

### Going their own way in the U.S.

ALTHOUGH SEVERAL European groups are active on the U.S. market, selling their developed versions of fluidised bed furnaces for the use of low-grade fuels with minimal pollution, Electric Power Research Institute (EPRI) the U.S. has decided to support GE (USA) with a \$1.7m three-year grant for further investigations into this exceptionally efficient system of extracting most of the heat in the fuel fed into it.

Under the EPRI contract, research staff at the GE Research and Development Centre, Schenectady, New York, have completed the construction of a small experimental facility that will allow them to test new ideas, including churning the bed at higher speeds, to seek the best diameter of coal particles, the best ratio of coal to limestone and to design better layouts for the boiler tubes collecting heat from the bed.

As part of an earlier EPRI contract, engineers found evidence that optimum coal combustion could be achieved if the air velocity through the bed were raised from the almost standard 3 metres/sec to between 7 and 10 metres/sec. When this is done, the bed

becomes a flowing rather than a bubbling system and tends to provide a more even heat yield. This could make it easier to follow the load demand. It is intended to look at the effects of increasing bed density by raising the size of the coal and limestone particles. Most existing systems take granules of less than 1 in. diameter. The GE plant will handle nodules up to six times this size.

Another goal will be to determine the best mix of coal with granulated limestone to achieve optimum sulphur removal, depending on the fuels used. Boiler tube design will be examined to determine whether finned tubes will draw more heat from the bed than the generally used smooth tubes.

Effects of corrosion and erosion inside the bed and the choice of materials appropriate to withstand these at the lowest possible cost will be a further topic. At the same time, recovery of unused coal and limestone particles will be studied. Final conclusions of the study will be presented in the "early 1980s" GE says. After that, EPRI plans to design its own full-scale fluidised bed power plant.

## DATA PROCESSING

### Will manage property

MANDATA is the name of a designed by Computer Management Group in conjunction with Bernard Thoppe and Partners, estate agents, to deal with the accounting and administration of large property portfolios. It will be available as a complete service operated by CMG and run on a confidential basis on its own computers, or it can be purchased outright to run on other computers.

## SAFETY

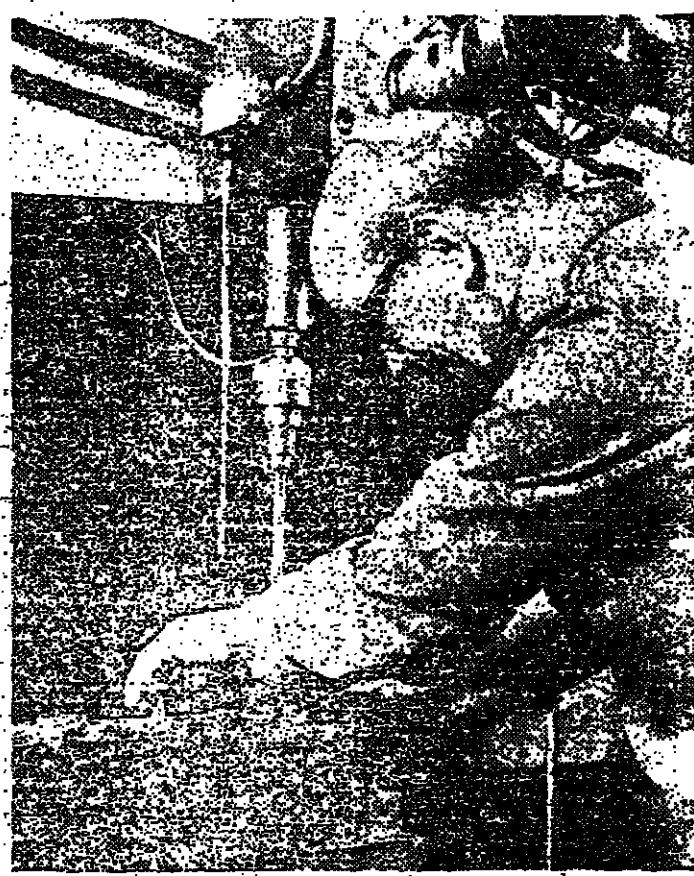
### Outdoor electrical plant

JUST ISSUED by the International Electrotechnical Commission is a new standard entitled "Electrical installations for outdoor sites under heavy conditions (including open cast mines and quarries) Part 2: General protection requirements. The standard is in three parts. The first covers protection against direct contact with live parts and deals separately with voltages above and below 1,000 V. It covers topics ranging from simply placing live components out of reach to the use of barriers, enclosures, and insulation.

The second chapter deals with items that could become live under fault conditions and the means of preventing such voltages from persisting; earth fault current limitation devices and earthing arrangements.

Final part of the standard is concerned with protection against overcurrent and fault current. The publication costs SwFr 70, and is available from the Commission at 1 Rue de Varembe, 1211 Geneva 20, Switzerland.

## METALWORKING



Slight pressure on the arm of the trip switch shown hanging down parallel and to the left of the drill on this machine will stop the latter very quickly in an emergency.

### Stops the machine

MACHINES such as radial drillers in which the drilling head moves sideways over a large area and quick chuck changes are carried out are difficult to guard effectively without losing versatility.

To provide improved safety Cutler Hammer has introduced an emergency braking system which will stop the spindle rotation very quickly if the operator becomes caught up in the spindle or chuck.

A trip limit switch is attached to the quill of the machine so that it travels up and down with the spindle, and its actuating bar hangs down behind the drill chuck at about 11 inches from it. Thus the operator can still use a quick change chuck but if he becomes caught up in it his arm will strike the bar.

If this happens a contactor system operates and causes dc to be injected into the stator windings to stop the motor in fractions of a second. Once the motor has stopped the dc is disconnected and the motor can be turned over by hand.

### Spring unit works fast

PRODUCTION rates of up to 70 springs per minute in coil diameters up to 12 mm and lengths of up to 30 mm are made under computer control in a machine from Japanese company Itaya and available in the UK from TI Bennett Machines, Redditch, West Midlands (0527 20211).

Instructions for springmaking are set up on a keyboard and held for repeated use in a memory; they are fed from the electronics console in the forming machine where they result in a spring wire being fed into a central quill from the machine back. Surrounding the quill are six radially mounted cam operated sliding tools which move inwards in timed sequences, separately or in groups, to carry out the forming action on the wire. The result is a coil spring with the ends formed and the company claims it is the first universal machine to make springs with extended hooks in one operation.

Limits of the wire diameter are from 0.5 to 1.5 mm, although a smaller version can be supplied with an upper limit of 0.8 mm. A third version is designed to make torsion springs, with ends in the form of radial legs.

Instructions from the stored program determine the appropriate length of wire to be supplied while the programmed slide movements produce the required coil diameter and length.

## OFFSHORE ENGINEERING

### Crashing through the ice

STUDIES OF long-range support operations in inclement conditions in sea areas off northern Norway, Spitzbergen and Bear Island have been completed after a series of tests lasting several months. Offshore Supply Association carried out the task to establish criteria for long-range supply vessel operations in support of exploratory drilling in Arctic waters.

OSA's own vessel, the MV Werderfot was used. It is an EIII 13000 class ship built specifically for anchor handling, tug and supply duties in northern latitudes and it was tested under many combinations of environmental performance and logistical factors.

Eleven scientists, in addition to the vessel's normal complement of 15 collected data relating to weather patterns, the physical characteristics of ice, the ice-breaking characteristics of the vessel and its hull stresses—especially in the bow sections—and research into actual ice-breaking techniques.

The Werderfot develops 13,000 hp and is one of the most powerful supply vessels afloat. It is equipped with five nozzles at the bow for injecting an air-water mixture while under way—which serves to lower the frictional resistance. For this particular project the vessel was also equipped with sub-sea TV systems to monitor the flow of broken ice around the hull, the inlets, thruster units and main propellers.

Performance in all types of ice pack was good and the vessel handled floes of about three metres thickness. It was also able to reach speeds of up to 81 knots in solid ice 80 centimetres thick.

## QUALITY CONTROL

### Balances rotating bodies

COMPONENTS SUCH as electric motor, rotors and any other rotating item weighing between 0.5 and 10 kg can be balanced statically and dynamically using the 3905/2504 combination of test machine and console put on the market by Bruel and Kjaer.

The machine supports the shaft ends of the item to be balanced on a pair of adjustable V-bearings with replaceable bearing surfaces of synthetic resin-bonded fabric on two bearing support posts which may be secured at the required positions to suit the test piece.

The machine supports the shaft ends of the item to be balanced on a pair of adjustable V-bearings with replaceable bearing surfaces of synthetic resin-bonded fabric on two bearing support posts which may be secured at the required positions to suit the test piece.

## PROCESSES

### Screens the mixture

NOW INSTALLED at British Steel Corporation's Llanwern, South Wales, integrated steel plant is a purpose-designed Mogensen Sizer to screen tramp elements from blended sinter mixtures.

Specially produced for the continuous process line at Llanwern, the unit provides a measure throughout of 1,000 tonnes per hour says Mogensen Sizers, Fernie Road, Market Harborough, Leics. (0688 65294).

High capacity is attributed to a simple screening technique exclusive to the maker. Using vibration to operate a bank of sloping meshes that are set at ever increasing angles from the horizontal, material moving downwards encounters mesh apertures of progressively smaller proportions. Resulting effect is coarse product coming off the top mesh, and so on, through to fines passing through the close mesh bottom screen.

## Degreases and washes

FOUR-STAGE cleansing plant for degreasing and washing of metal castings, motor car accessories, metal pressings, castings and a wide variety of components, is designed to form part of a fully automatic production line, but can be used as a manually operated single unit says developer Berridge Engineering, Queens Road East, Beeston, Nottingham (Nottingham 258291).

Maximum washing temperature is 90 degrees C and each of these washing stages has an upper tunnel with anti-splash entry and exit and a base solution tank with gas fired immersion heater, a recirculation pump, piping and system controls.

Overall size of the plant is 32 by 9.5 by 8 ft.

## Banking figures

(as table 4 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

1—Banks	July 18, 1979	Change on month
	£m	£m
<b>Eligible liabilities</b>		
UK banks		
London clearing banks	28,258	+444
Scottish clearing banks	3,018	-52
Northern Ireland banks	489	+28
Accepting houses	2,146	+94
Other	6,793	-297
Overseas banks		
American banks	4,331	-98
Japanese banks	346	+2
Other overseas banks	2,999	+38
Consortium banks	270	-7
<b>Total eligible liabilities*</b>	<b>49,151</b>	<b>+171</b>
<b>Reserve assets</b>		
UK banks		
London clearing banks	3,634	+47
Scottish clearing banks	403	+4
Northern Ireland banks	135	-2
Accepting houses	308	+10
Other	921	-29
Overseas banks		
American banks	585	-5
Japanese banks	51	-1
Other overseas banks	451	+6
Consortium banks	50	-5
<b>Total reserve assets</b>	<b>6,538</b>	<b>+28</b>
<b>Constitution of total reserve assets</b>		
Balances with Bank of England	453	-26
Money at call:		
Discount market	3,221	+110
Other	184	-23
UK, Northern Ireland Treasury Bills	1,019	-3
Other bills:		
Local authority	127	-42
Commercial	870	+8
British Government stocks with one year or less to final maturity	554	+3
Other	—	—
<b>Total reserve assets</b>	<b>6,538</b>	<b>+28</b>

Ratios %

UK banks	
London clearing banks	12.9
Scottish clearing banks	13.4
Northern Ireland banks	13.6
Accepting houses	14.4
Other	13.6
Overseas banks	
American banks	13.5
Japanese banks	14.7
Other overseas banks	15.0
Consortium banks	18.7
<b>Combined ratio</b>	<b>13.3</b>

N.B.—Government stock holdings with more than one year but less than 18 months to final maturity amounted to 267

2—Finance houses

Eligible liabilities	400	-9
Reserve assets	43.5	+1.1
Ratio (%)	10.8	+0.4

Special deposits at July 18 were £88m (down £86m) for bank and £2m (down £6m) for finance houses. \*Interest-bearing eligible liabilities were £31,879m (down £85m).

## London Clearing Banks' balances

as at July 18, 1979

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Courts, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES	Total outstanding		Change on month	
	£m	£m	£m	£m
<b>LIABILITIES</b>				
Sterling deposits:				
UK banking sector	9,026	+331		
UK private sector	31,932	+393		
UK public sector	464	-79		
Overseas residents	3,962	+119		
Certificates of deposit	2,086	+97		
of which: Sight	43,600	+1,266		
Time (inc. CD's)	18,699	+753		
Time (inc. CD's)	24,910	+311		
Foreign currency deposits:				
UK banking sector	4,580	-430		
Other UK residents	1,039	-35		
Overseas residents	13,049	+208		
Certificates of deposit	1,071	-82		
<b>Total deposits</b>	<b>19,699</b>	<b>-574</b>		
<b>Other liabilities*</b>	<b>63,299</b>	<b>+392</b>		
<b>Total liabilities</b>	<b>83,298</b>	<b>+318</b>		
<b>ASSETS</b>				
Sterling:				
Cash and balances with Bank of England	1,369	+73		
Market loans:				
UK	2,320	+119		
Overseas	8,977	+999		
Certificates of deposit	1,016	+35		
Local authorities	—	+2		
Other	358	+44		
<b>Total sterling</b>	<b>12,632</b>	<b>+1,132</b>		
Foreign currencies:				
Market loans:				
UK banks and discount market	4,191	-294		
Certificates of deposit	185	+6		
Other	8,149	-469		
Bills	12,523	-795		
Advances:				
UK private sector	2,060	-165		
UK public sector	846	-119		
Overseas residents	3,887	-42		
Other sterling assets*	6,432	-321		
Other foreign currency assets*	1,443	+30		
<b>Total assets</b>	<b>73,812</b>	<b>+303</b>		
<b>Acceptances</b>	<b>632</b>	<b>+150</b>		

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES	TOTAL		BARCLAYS		LLOYDS		MIDLAND		NATIONAL WESTMINSTER		WILLIAMS & GLYNN'S	
	Out-standing	Change on month	Out-standing	Change on month	Out-standing	Change on month	Out-standing	Change on month	Out-standing	Change on month	Out-standing	Change on month
<b>LIABILITIES</b>												
<b>Total deposits</b>	<b>62,299</b>	<b>+292</b>	<b>17,504</b>	<b>+283</b>	<b>12,502</b>	<b>+648</b>	<b>12,721</b>	<b>-42</b>	<b>18,731</b>	<b>-444</b>	<b>1,841</b>	<b>-53</b>
<b>ASSETS</b>												
Cash and balances with Bank of England	1,369	+73	403	-5	221	-8	324	+65	378	+31	42	-7
Market loans:												
UK	15,487	+74	3,904	+400	4,190	+606	1,962	-101	3,197	-249	324	-2
Other	19,967	-407	3,165	-166	2,872	-53	1,628	-91	2,746	-78	257	-18
Bills	1,394	+53	320	+22	108	-20	424	+46	488	+6	43	+1
Special deposits with Bank of England	22	-403	6	-141	3	-24	2	-98	11	-126	2	-15
British Government stocks	2,028	-198	508	+3	315	-68	544	-14	546	-32	116	-
Advances	33,295	+393	9,680	+292	5,145	+24	7,707	+40	9,653	+82	1,103	-15

TABLE 3. CREDIT CONTROL INFORMATION (Parent banks only)	TOTAL		BARCLAYS		LLOYDS		MIDLAND		NATIONAL WESTMINSTER		WILLIAMS & GLYNN'S	
	Eligible liabilities	Reserve assets	Eligible liabilities	Reserve assets	Eligible liabilities	Reserve assets	Eligible liabilities	Reserve assets	Eligible liabilities	Reserve assets	Eligible liabilities	Reserve assets
Eligible liabilities	28,102	+419	8,744	+99	4,434	+153	6,624	+96	7,300	+97	1,000	+3
Reserve assets	3,609	+47	1,128	+19	579	+7	834	+14	933	+1	135	+7
Reserve ratio (%)	12.8	-0.1	12.9	+0.1	12.1	-0.3	12.6	-	12.6	-0.1	13.5	+0.7

**FACT**  
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Preston, Lancs.  
Telephone: Midway (0854) 401721

## ELECTRONICS

### By remote control

INFRARED detection diode BPW41 is expected to capture 50 per cent of the European market by its developer, Ferranti.

A silicon photodiode with low junction capacitance and a large active area of 7.5 square millimetres encapsulated within a small package. Inherently low junction capacitance ensures fast response times, and as the capacitance is inversely proportional to the reverse bias voltage it is possible to obtain variable response times within the operating range of the device.

The large active area permits activation by relatively weak signal sources, thereby increasing the effective sensitivity of the photodiode.

By incorporating a narrow band, transmissive filter into the excitation section, it has been possible to obtain the impressive response curve which is considered to be the most selective currently available. The peak response is in the region of 925 nm with a spectral bandwidth of 730-1,040 nm at the 50 per cent level. The narrow band filter has been specifically designed to ensure virtual immunity from extraneous radiation and the unit is ideal for utilisation in infra-red control links.

As the BPW41 overcomes many of the problems associated with ultrasonic or radio frequency remote control systems, it is believed that there are many applications in close range remote control, such as control of television channel selection; household appliances, services, models and toys, where the device will be employed.

Ferranti Electronics, Fields New Road, Chadderton, Oldham OL8 5NP. Telephone: 061-624 0515.

## STORAGE

### Tanks come in sections

SECTIONAL STORAGE tank system in reinforced plastics has been launched by Northern Engineering Industries, NEI House, Regent Centre, Newcastle upon Tyne (NE2 9BJ).

Basis of the system involves identical panels which are joined to form storage units of theoretically unlimited capacity.

All individual components are said to be easily lifted by hand and as the design requires no supporting straddle of steelwork, site erection can be completed without lifting gear.

Foundations of the Hydro-Sid are supplied with supports under each row of flanges and running in one direction only giving maximum access for construction, inspection and connecting pipework.

Walmore, 11 Betterton St, London WC2H 9BS. 01-536 1238.

## RESEARCH

### Insecticide studies

POTENT biodegradable insecticides, developed by Australian scientists, are to be investigated for commercial use in a joint programme with two major chemical companies.

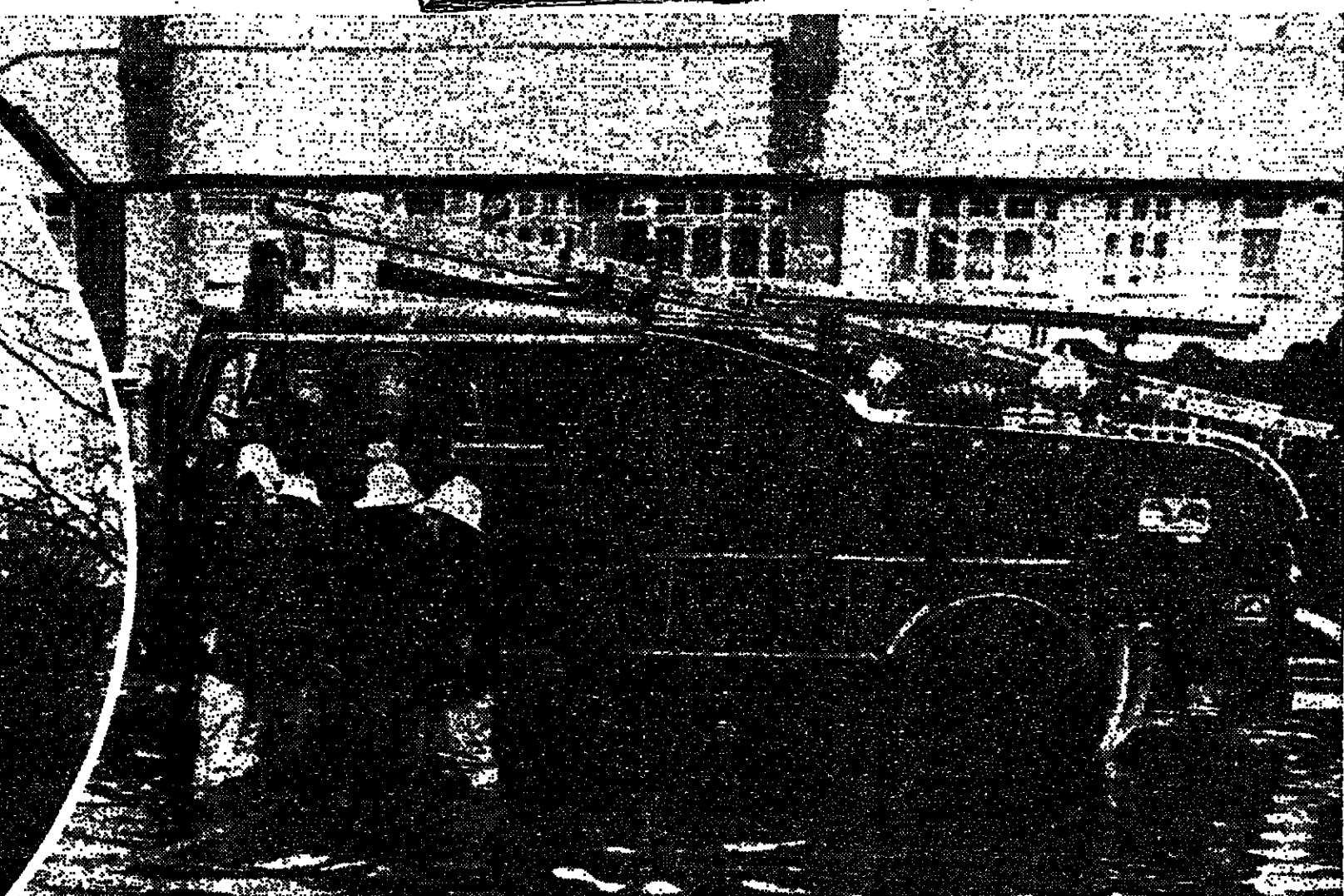
They are such low toxic and far cheaper to produce than present products and are to be developed by Roche-Boag of Australia and Nippon Kayaku of Japan.

The 18 new compounds, known as insecticidal esters, were designed with the aid of a computer by scientists from the Australian Commonwealth Scientific and Industrial Research Organisation's (CSIRO) Division of Applied Organic Chemistry, Melbourne, over the last few years.

Preliminary tests have shown they are among the most potent insecticides known to science, yet massive doses seem to have no effect on mammals. They are much less toxic



هكنا من الجرحل



# While others were assessing the damage, we were paying for it.

On the morning of January 11th 1978, you might have been forgiven for mistaking the streets of Sheerness for Amsterdam or Venice.

After a night of near hurricane force winds and waves as high as houses, the East Kent coastline was, quite simply, blown to bits.

In the light of this thirty mile trail of devastation, it became clear to us at Commercial Union that there was only one way we could be of real help.

Not with tea and sympathy. Or vague promises of compensation.

But rather, by agreeing to claims immediately. On the spot.

Now, it's not every day you'll find us popping in on policy holders, with a view to popping a cheque in the post.

After all, like any other insurance company, every claim we deal with involves certain formalities.

There are details to be noted down. Policies to be checked

out. Assessments to be made. And so on.

A process that can take anything from five minutes to five months. Or even longer.

Speaking for ourselves, we prefer to simplify the paperwork, for the sake of a speedy settlement.

Which is precisely how we coped with the mopping up of East Kent.

On January 12th, with the storm damage barely a day old, we set up an emergency claims centre in Canterbury.

Within two working days we had our own team of claims inspectors out and about on the waterways, personally totting up the cost of repairs.

In all, we paid out £115,000 from just one branch, to more than 400 policy holders.

So they could start rebuilding their lives, while others were still getting estimates.

**We won't make a drama out of a crisis.**



ASSURANCE

FACTORY  
office machine  
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peripherals  
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ELECTRONICS  
remote  
control  
STORAGE  
banks of  
sections  
es



MANAGEMENT

# The healthy grass roots of German labour relations

BY CHRISTOPHER LORENZ

THE STRAINS of the past three years notwithstanding, the relatively peaceful and productive character of West Germany's labour relations is still legendary—as is German industry's consequent ability to adapt to the unprecedented technological and economic change of the 1970s.

But the explanation most commonly put forward by foreigners—the limited number of unions, and the moderation of their leaders—is nearer myth than legend. Not that there are many unions, nor that their leaders are moderate: far from it. But these factors represent totally inadequate explanation for Germany's post-war industrial harmony.

The truth, as any hardened German-watcher knows, is a complex combination of many interwoven factors. They include short-term ones such as the post-war imposition of common-law and institutions (not only one-industry unions); and the job security created for most employees (though not, by any means, for all the foreign "guest" workers), by sustained economic growth and the continuity of Government policy.

There is also a series of longer-term, more fundamental factors, such as the readiness of most Germans to respect authority, and the vivid memory, for older generations, of repeated economic disaster.

## Crucial factor

All too seldom, however, is attention focused on one of the most crucial single factors—what, in late 1970s jargon would be seen as an example of the "small is beautiful" philosophy, though it was actually introduced 27 years ago.

In sharp contrast with practice in Britain and elsewhere, most of the negotiation between German employers and the representatives of their employees is confined by law to the workplace itself (either factory or company), through a key institution, the works council.

To quote a newly published study on the management of industrial change in Britain and West Germany, the trade unions are allotted only "a guest role" in the company itself. "Thus management has to deal with a body which draws its strength and legitimacy from the workforce who vote it into office, and

which both thinks and acts in terms of the enterprise."

This is one of the essential pre-conditions for what the study calls the system of "co-operative conflict resolution" found in many German companies: the willingness to confine the conflict and its resolution to the enterprise.

Sceptics may immediately object to this view, on the grounds that entire German industries—steel and engineering, to cite only the most obvious examples—have been brought to a grinding halt in recent years by centrally-organised strikes.

This does not detract from the study's argument that the main role of trade unions in German labour relations is to negotiate with employers' associations a binding framework of terms and conditions of employment. But, it emphasises the framework then has to be filled out by negotiation at enterprise or plant level.

Some companies in Britain, even quite sizeable and unionised ones, have managed to replicate this situation—and the consequent feeling of closer identity between employer and employee—by quietly establishing good relations with on-site shop stewards, and/or the local union branch. As a result, they have managed amicably to carry through a major rationalisation exercise, or introduction of new technology, without taking part in "adversary" style labour relations.

The report, financed and published by the Anglo-German Foundation for the Study of Industrial Society, is a model of tact in its presentation of the very different approaches taken towards industrial change in Britain and Germany by management, unions and other employee representatives.

But its chief message does not detract from its value as an unusual beneath-the-skin study of industrial relations in practice.

The basis of the report is seven case studies in each country of the introduction of change at plant level. In all 14 cases the change—in the form of new techniques and equipment, sometimes involving movement of production from one site to another—was aimed at cutting costs by reducing the workforce. In most of the British cases, and in all the German

ones, the changes were carried through successfully.

Especially illuminating of the general background to IR in the two countries were the very different ways in which the changes were handled by management.

Several of the British managers kept their plans secret from employees until the last moment, whereas the German works councils were generally informed at an early stage. "Very often they knew of the project before the main company board and the supervisory board had given their official blessing," says the study.

It adds that the situation was less satisfactory in those German companies where initiation and planning was carried out centrally.

In all the German cases, everyone—including the works councils—was agreed on the need for technical and organisational innovation, in order to boost productivity. The early stages of planning were dominated by considerations other than manpower policy, though this played an increasing part as the project progressed.

Their execution also presented a stark contrast. Whereas only two of the British enterprises gave undertakings not to dismiss employees, all but one of the German companies avoided redundancies: management's "central theme" was the stability of employment, and the need to avoid dismissals at all costs, says the report. On the other hand, a substantial group of German workers "found themselves" downgraded to lower-paid jobs.

Explaining the background to these practices by both sides of German industry—which evoke envy or scorn abroad, depending on whom one talks to—the authors point to a chain of cause and effect running from macro-economics right down to the workplace.

They thereby implicitly emphasise how unrealistic it can be for employers in Britain, Italy, or wherever, to attack their own trade unionists for not following the example of their German colleagues, and "acting responsibly" in almost every situation.

In simplified terms, the chain runs as follows:

Germany's economic success has created a shortage of labour, and therefore a rela-

tively high level of job security. This has made German workers confident about accepting change at the workplace. One result of this, in turn, has been the willingness of German management to reveal information about change to their employees "far in advance of its implementation, and beyond the requirements of the law."

The British (or Italian) manager is obviously in a very different position, on almost every score. But will the German approach of co-operative conflict resolution "remain resilient to the recent shift in the pattern of industrial innovation, from the expansion of production (and rising employment), to the more intensive use of existing capacity (and rising unemployment)?"

## Resilience

These new conditions had only just begun to take root by the time the study was carried out (mainly in 1976). But the authors consider it "surprising... that little hardening of attitude appears to have occurred" in the seven enterprises. They conclude that "we were impressed by the resilience with which the industrial relations systems within these enterprises coped with the problems of rationalisation under these new conditions."

Only time will tell whether the authors' optimism is justified, or whether, in spite of its much-vaunted institutions and ability to learn from the past, the Federal Republic eventually succumbs to the "English disease." What with the slow-down in world growth, the acceleration of technological change, and growing competition from the Third World all tending to increase unemployment in the West, many Germans expect the next decade to be the really testing time for their labour relations system.

The Approach to Industrial Change in Britain and Germany. By Eric Jacobs, Stanley Orwell, Peter Patterson and Friedrich Weitz. Price £10. Published by the Anglo-German Foundation, St. Stephen's House, Victoria Embankment, Westminster, London SW1A 2LA. Tel. 01-830 8298. A detailed report on the German research, together with the full German case study material, is available in English and German.

"INCENTIVE" is now the vogue word. It generally implies a direct relationship between more post-tax income and performance at work.

But are higher salaries by themselves likely to attract more and better entrants to the engineering profession, and to improve their performance as innovators and producers?

Over the past few years there has been a growing awareness that one of the failings in British industrial management has been a lack of concentration on the quality and reliability of the product, with a consequent increasing decline in our technical competitiveness in world markets. This appears to be connected historically with a relatively low standard of engineering education, and with an undervaluation of the engineering function.

One of the problems recent studies have disclosed is the conflict faced by the highly qualified engineer wishing to remain in the technical stream of his company, but finds that the only avenue to promotion is through general management.

It is not only in Britain that the problem of how to employ the outstanding engineering designer, who does not wish to become a "manager," has begun to cause concern. A study just completed at the Massachusetts Institute of Technology has drawn attention to the serious dilemmas that arise for engineers at mid-career.

## Most competent

Analysis of responses to a questionnaire from 957 M.I.T. graduates with some ten to twenty years experience in engineering-based careers indicated that the most competent technically oriented people often find themselves caught between having to move into management or staying in staff positions with insufficient autonomy to allow them to express themselves in a satisfactory manner.

These findings are likely to be taken seriously by American industry because of a growing anxiety that the United States is falling technologically behind some of its competitors: in particular Japan and Germany.

A company's vice-president of engineering is quoted as saying that "Engineering is a 'bad' profession. There is no pattern to the advancement of a professional as there is in architecture, medicine, law, business, brokerage, education, etc."

An assistant vice-president writes: "What a shock it is to an engineer to discover that the man who has developed leadership talents and has the ability to communicate is more promotable than the one who is primarily technically oriented. Even those entering a research laboratory are faced with this

# Management dilemma of mid-career engineers

BY AUSTEN ALBU

MID-CAREER ORGANISATIONAL ROLES		
ORGANISATIONAL EVALUATION OF EFFECTIVENESS		
	HIGH	LOW ("ordinary")
TECHNICAL	Cell 1 Independent contributor policy specialist "idea innovator" "internal entrepreneur"	Cell 2 technical support expert on "formatted" tasks "master"
PEOPLE	Cell 3 top management sponsor development as policy "successful" manager	Cell 4 mentor individual development functions "effective" manager "coach"
NON-WORK	Cell 5 specialist internal consultant "variance sensor" "scanner"	Cell 6

Source: MIT

they suffer from becoming less up-to-date than recent graduates. An apprenticeship-master pairing of young and "old" is suggested here as well as challenging assignments for which the mid-career engineers can achieve their own technical updating.

In Cell 4 are those not likely to rise in the organisation. It is suggested that this group need assignments that draw on their technical background but which have an interpersonal component such as acting as a "mentor" for other employees or "coaches" of project management.

The successful management of technical careers requires an appreciation of the whole range of possible attitudes and abilities. It requires an accurate assessment of each employee's capacities: an assessment in which both the employee and the employing organisation must concur.

Most important, however, is the recognition that the variations in orientation and ability necessitate flexible personnel policies and multiple organisational roles. Only if these exist can organisations maximise the contribution of their technical staff and provide them with satisfactory careers throughout their working lives.

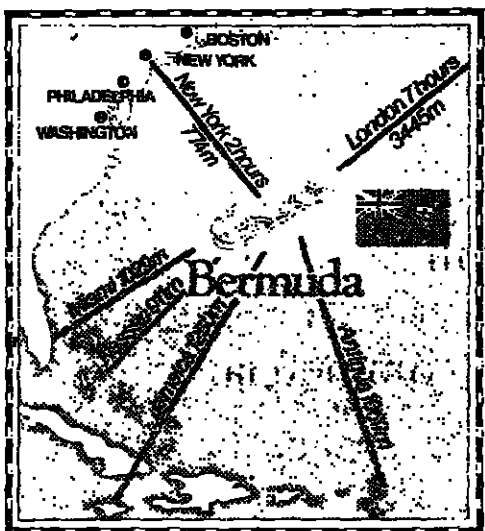
*Balym, Lotte. Living with Technology: Issues at Mid-Career. Working Paper WP1066-79, Alfred P. Sloan School of Management, M.I.T. Cambridge, U.S.A., 1979.*

## Lost resource

Cell 5 is the organisation's major lost resource and one which is likely to grow as the present "youth" generation gets to middle years. Suitable roles for its members might involve temporary assignments and, especially, tasks requiring distance from the organisation—an insider's outside perspective.

Cell 6 contains average employees whose main life interests are not in their work. If the other cells are handled properly cell 6 is likely to be small. The fact that involvement is low does not automatically mean that work is poor; many tasks are pretty routine and probably best handled by less involved employees. This might be a group that would respond well to opportunities for part-time work, job sharing or similar arrangements.

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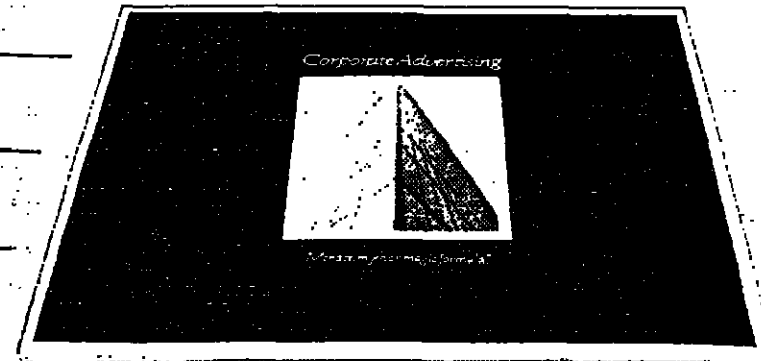
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LOMBARD

Luring quangos to London

BY JOHN EDWARDS

IS IT WORTH £3m to retain for Britain a valuable source of invisible earnings and an important influence in world commodity markets? The FT correspondence columns have recently been full of letters from important people trying to persuade the Government that it is very worthwhile investing £3m to help finance a proposed World Commodity Centre in London. The campaign, orchestrated by the Parliamentary Group for World Government is reaching a climax after several years of effort since it is feared that unless a decision is made soon, the chance will be missed for ever.

It is well to be clear what is at stake. The proposed Centre is not planned to house the London commodity futures market or even commodity traders. The intention is to provide much needed better accommodation for the secretaries of international commodity organisations. At present there are seven of these international quangos, scattered throughout London. These are the bodies concerned with the international agreements covering coffee, cocoa, sugar, tin and wheat as well as the UN Study Groups for natural rubber and lead/zinc.

Real threat

There is a real threat that unless these organisations are provided with better facilities, they may be tempted to move elsewhere. As the size and importance of the commodity agreements have grown, so has the need for more suitable conference venues and translation services. A purpose built Commodity Centre could provide the missing facilities and, perhaps, other advantages such as a central clearing house for world information on raw materials.

But what, to put it crudely, is there in it for Britain? For a start, the Centre can be viewed as a sprat to catch a mackerel. The mackerel is the proposed UN Common Buffer Stock Fund, which no doubt will have a huge bureaucracy to administer the \$750m under its control.

The UK Government is planning to make a bid for the Common Fund to come to Britain. But there is considerable competition from other countries since these international organi-

sations are highly prized. The secretariat itself usually consists of highly paid personnel, who are big spenders on accommodation and entertainment. The organisation meetings bring in regularly a batch of equally high-spending government officials, who could be described as "super" tourists. Where there is a buffer stock, as is the case at present with cocoa and tin, the London-based banks tend to get the lion's share of the deposits and loan business. It is estimated the organisations themselves bring in invisible earnings of £2m and the buffer stocks some £100m. Altogether Britain's invisible earnings from commodity trading and markets is calculated at well over £200m a year.

A more invisible attraction for the host Government of commodity organisations is that representatives of the member countries are more easily available to meet either at diplomatic or business levels.

In London's case this helps the Government keep track of developments in world markets for raw materials, and also supports Britain's role in commodity trading and as a centre for the flourishing commodity futures markets.

Recognising the importance of commodities to the City, the leader of the Greater London Council, Sir Horace Cutler, has already pledged £250,000 towards the cost of the proposed centre.

Barclays Bank International is spearheading a campaign to raise £3m from City institutions, with the proviso that the Government is prepared to put up the same amount.

The crunch point for a decision is near. In September negotiations for a new international rubber agreement are likely to be concluded and a decision will have to be made about where to situate the headquarters of the new organisation.

Malaysia has made a strong bid for it to go to Kuala Lumpur. But there is a feeling among some consumer countries that it would set a bad precedent for an international agreement to be centred in the main producing country of the commodity. Should this happen other commodity organisations could be under pressure to make a similar move, and Britain's influence in international trading would be considerably diminished.

Rust, hollyhocks and skirts

THERE WERE days last week when there was only one thing worth looking at in my self-respecting English village: the hollyhocks. If you missed the London monsoon, you would have to agree that this is the perfect year for them.

There has been little rain to knock them sideways. It has been dry, but not so hot that they are stripped of their lower leaves by the rust-disease which spoils mine in a very hot summer. I have found no certain cure for this rust, the first objection which grand gardeners raise to any suggestion that they should take hollyhocks seriously. But it is at its worst when your plants are too dry or on poor soil. Perhaps that is why so few good stands of hollyhocks are to be seen in the few small French and Italian gardens which have an eye for flowers. They stop at sunflowers instead.

Seedlings

Reckon, then, that you are likely to lose the lower two feet of leaves on your plants in an average year. More than this weakens them for the following year, so you should be ready with a few seedlings in the wings which you can move on to take the place of rusted old clumps.

Many gardeners look on hollyhocks as plants with a two or three year life span. Of course there are those enviable clumps

which survive anything in unlikely places beside a concrete path in a neglected village front garden. But if you want to be sure of the best for an important border, you are advised to keep fresh stock coming on.

The plants put down massively deep roots, so be prepared for a long, hard dig if you decide to remove an old and diseased group. Plant young ones in any soil when they have a deep root run. If you can stake them, they are just as free-flowering in shade, though they lean towards the sunshine and have to be staked. It is tempting to put them in a warm place on which early-flowering climbing roses are growing. Be sure that you can hold them in place with a strong stake and thick wire. Once they fall forwards, they lose their point.

How best can you get hold of them? Of course you can buy seedlings at 70p a time in a token taking of black polythene from nurseries next spring. The container-grown hollyhock is only for the unwary. If you sowed seed at once in a box of seedling compost or an open corner of a vegetable plot where you could keep the soil well-watered, you would have a good line of seedlings by the end of this month. If you thinned out the best and allowed them to grow on until mid-October, you would probably have plants worth moving into their permanent place for next summer, 1980.

Ideally, you should have sown the seed six weeks ago. But like me, you probably wake up to the hollyhock only when it is in flower all around you. So I would suggest that you started its seed off in a box which you could supervise carefully in a warm place. That will speed germination and catch up some of the lost plants belong only in very small gardens. One of the failings in those superb summer gardens of low bedding plants, packed with lobelias, petunias and marigolds, is their lack of height. To make the point, I will pass on the best use of hollyhocks which I can recall.

The garden was one of those plots which might be a quarter of an acre, perhaps only a fifth. The owners had no children and preferred flowers to dogs. You could not walk into their cottage without hitting your head on the beams and you could not sit down for fear of landing on an over-polished brass or putting your legs through a reconstructed spinning wheel. There was not much window and less light. But outside, the owners had run a path straight down the centre of their sloping garden without any attempt at correcting the bumps in the ground. The path was wide enough to be spanned by a happy mixture of the late-flowering rose New Dawn and the earlier rose Paul's Lemon Pillar, grown into each other across a pergola made from a semi-circular iron hoop.

Space illusion

Great height on the boundary line and the main axis greatly increased the illusion of space. This was not the garden of a couple who thought only of rare plants and martyred their lives to them. But it bore out the principle to which I return so often here. Once you have made a start on your new site and established an outline, decide what you like and grow plenty of it. This garden was memorable for its hollyhocks. Far larger and grander ones are memorable for nothing except three and five of this phlox or that.



One final point. Nobody wants to look at the bare lower stems of a hollyhock with mild rust. The garden I have described had concealed their lower stems by catmint, which is plain enough, yellow-green ladies mantle, which falls like a river of flowers through July and early August, and the plain white valerian, which is a mastery touch as it is just the right height and colour. You have to increase it by cuttings in order to keep out the plain red-purple variety. But it is pleasantly informal, one of the best companions for hollyhocks which need a skirt at least as far as their ankles.

GARDENS TODAY

BY ROBIN LANE FOX

ground. You should get 50 plants or so from a packet of mixed colours, more than you could fairly use.

On their placing, I would only say to be bold. Books tell you that hollyhocks grow nine feet high and belong in the larger garden. They try to divert you to the lesser annual hollyhock which you can sow as an annual in early February and grow to a height of three feet or so in its first summer. This year, I fell for a new annual sort called silver puffs. It is a good silver-pink in its modest way, flowering at a height of about two feet. It is not the most robust plant, but when I look at it beside the plain old perennial sorts, I have no doubt that the old ones are far better. It is a fallacy that very tall

Le Soleil may be the answer

RYAN PRICE, recovering from a cracked rib and severe bruising sustained through a kick from one of his two-year-olds on the Plover Gallop last week, looks to have the answer to today's Brighton Challenge Cup in the form of Le Soleil.

Price and stable jockey Brian Taylor, bidding for a quick weekend. Eased into the lead some way from home by Taylor, whose singularly undistinguished career was one of the features of the meeting, Le Soleil forged further and further ahead of the opposition.

At the line, the chestnut son of Roi Soleil had eight lengths in hand of Bureigh, to whom he was conceding a good deal of weight.

If, as I expect, the Findon horse (the subject of one bet on £500, £3,000 on the course) reproduces that form here, matters should be well in hand some way from home.

Price, the leading trainer here in the past few seasons with 31 successes to his credit since the start of the 1974 campaign, could also be on the mark with Paul Stuart in the Ladbrokes Betcha Handicap.

A third chestnut with clear prospects of success on an afternoon which could be dominated by animals of that colour is Where's Henry.

Barry Hills has withdrawn Soaf from Pontefract's Peacher.

4.45 Enid Blyton's Famous Five. 5.15 Batman. 5.45 News. 6.00 Thames News. 6.05 Father Dear Father. 6.35 Crossroads. 7.00 On the Beach. 7.10 The Goodies. 7.15 The Dick Van Dyke Show. 7.20 The Black and White. 7.25 The Dick Van Dyke Show. 7.30 The Dick Van Dyke Show.

9.00 Why England? 10.00 News. 10.30 Border Country. 11.45 Cuts (weekly arts review). 12.00 Barney Miller. 12.30 The News at Ten. 1.00 The News at Ten.

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THE ARTS

Chichester Festival Theatre

The Man Who Came to Dinner

by B. A. YOUNG

Moss Hart and George S. Kaufman's romp calls for a commanding lead, two, or at most three, romantic supports and an infinity of sharp cameo players. Chichester has done particularly well for its lead. Charles Gray makes a fine thing of Sheridan Whiteside, the author's send-up of Alexander Woollcott, who slips on an icy doorstep in rural Ohio and takes over the house of his host for all his manifold guests and activities. Like the contributors to Private Eye, Whiteside cannot distinguish between wit and abuse but Mr. Gray, with his impeccable timing and his command of subtle expression, contrives to dominate the production with hardly a step away from his wheelchair. In his mouth that ill-mannered arrogance, with its spice of half-forgotten names—Lady Camard, Sonia Henie, Heide Selassie, John L. Lewis—sounds almost endlessly comic. The only other parts showing any depth are those of his secretary Maggie and the local editor-cum-proprietor Bert Jefferson. Jill Bennett plays Maggie beautifully, handling her own lapses from courtesy with restraint when they come, but mostly keeping to her destiny as an efficient secretary. When, in the final act, she breaks down on the common words "I love him so terribly," she transcends the commonness of the line and brings the emotion to life. How she could have felt so strongly about Robert Whelan's Bert I don't know—a coarse, loud young man who has obviously more in him of the Ohio newsman than the potential playwright. Perhaps he has

Television

In our house a "cracker" is something which contains a paper hat, a motto, and a broken plastic toy, all of which fall into your wine glass at the end of Christmas dinner. Furthermore that meaning is the only one I have ever heard given to the word "cracker" by a real, live, walking, talking English person. On television, however, there is a collection of people who habitually use the word to mean a cheese biscuit. They do not, of course, appear in normal programmes which (by and large) use the same language as you and I; they appear on the commercials where a completely different and often quite infuriating language—both verbal and visual—is exploited. It is often less than honest, sometimes downright misleading. I am not referring to the petty vulgarisms which occur so regularly in the advertisements "lay" for "lie" and so on—or even to the bigger and more hilarious mistakes such as the use of the word "judge" where "indication" is clearly what is meant in that After Eight Mint commercial which tries so hard to be awfully awfully smart but falls flat on its pretentious face when the gracious lady draws: "I always feel that the best judge of character is how someone eats." Certainly that sort of solecism should be deplored and attacked by all those who care for communication because, as Confucius said "If language is not correct then what is said is not what is meant... what ought to be done remains undone... morals and the arts will

deteriorate and justice will go astray." However, I am referring primarily not to straightforward faults in syntax but to a whole language of weasel words, illusive images and innuendo, in which the only thing you can really be sure about is that the more clearly something is implied—without actually being stated—the more likely it is to be untrue. If a floor cleaner is described as "new" and shown to make housewives smile dementedly upon their buckets and mops you can be sure that it is old and makes nobody smile at a mop in real life. If a lager is advertised with phrases which clearly suggest that it is an authentic European brew imported for your delectation — "Germany's favourite beer" or "enjoyed on the Continent since 1620," or something of that sort — you can be practically certain that the glassful in your local was brewed under licence in Widenes or Pilsen or somewhere similarly unromantic and un-German. Consider the words of the fluoride toothpaste advertisements, the sort which claim that "regular brushing with Tootho can mean up to 30 per cent fewer fillings." It sounds pretty impressive until you start asking questions, such as 30 per cent fewer than what? Than you get after brushing with other fluoride toothpaste? Seemingly not since they all make the same "30 per cent fewer" claim. It could mean 30 per cent fewer than you'd get after brushing with coal dust, but presumably the comparison is

intended to be with non-fluoride toothpastes. Yet whatever the comparison, the claim turns out to be virtually meaningless since what is being promised is a maximum saving on fillings but no minimum. In other words we are being assured of nothing whatsoever. Perhaps it ill behoves a journalist who equires most of his income (even if indirectly) from the sale of large areas of pink newspaper to attack advertising root and branch. But there is an important distinction to be made between the advertising in, say, this newspaper and the advertising on television. Much of the advertising in this paper consists of information which the reader is actively seeking. Television commercials are quite different. One has never heard of a viewer switching on primarily for the ads, and the number of commercials which could honestly be described as "informative" is very small indeed. Nearly all are involved in the business of persuasion, and a great many aim solely at altering brand loyalties. Which is not to say that none of them is impressive; on the contrary some are technically exemplary pieces of film making. (Nearly all the best are still made on film though videotape use continues to increase.) Such technical excellence is predictable enough of course when you consider the outlay involved: 30 and 60 second commercials commonly cost tens of thousands of pounds to make and not infrequently hundreds of thousands. And that is before the advertiser

starts to buy air time for showing them. According to Young and Rubicam's invaluable advertising bulletin Time and Space, commercial television's total gross advertising revenue in May and June registered increases of 20 per cent and 36 per cent respectively over the same months last year. It looks as though one minute in peak time on the national network this autumn may well cost advertisers nearly £50,000 — and when that sort of money is involved it is natural enough that they will ensure, just for a start, that their commercials are well made. Sure enough, some are little celluloid masterpieces. British Caledonian, for instance, have for years been running a series in which the film editing skills, the colour photography, and the jingles work supremely well together to evoke the excitement of takeoff, the lyricism of flight, and the suggestion of security with that particular firm. In recent years they have added some very carefully modulated humour — the brash American oil man asking the delicate Englishman beside him "Do you work in oil?" and receiving the murmured response, "No, watercolour," and the check-in girl saying "Ah yes you have a reservation" and looking up to see the mock offended look of

a Red Indian chief in full war bonnet. The Wrigley's chewing gum series, again with a very hummable jingle, and fast cuts between scenes in different countries, ending with the Wrigley's articulated lorry and "Call it Wrigley's, call it spearmint, call it gum" is also expertly made. So too is the more recent commercial for the Fiat Strada, which has no spoken content, just film of the car being assembled by automata, excerpts from Rossini's "Barber of Seville" on the soundtrack supplying a powerful Italian flavour, a final sequence of the cars driving onto a moving transporter in tribute to the Mini sequence in The Italian Job, and the end caption "Handbuilt by robots." It is impossible to ignore and hard not to admire the sheer skill of such work, and that goes too for the direction of the Malt Liqueur series, the camerawork (and idea) to show the Samsonite suitcase being used as a toboggan, and the period detail in "Lipsmackin' Pepsi Cures The Summertime Blues" which in 30 seconds in the middle of Oh Boy! managed to throw the 30-minute programme of similar material into deep shade. None of that, however, contradicts the claim made in the

opening episode of David Martin's new ZBCI series about advertising, The Persuaders. One of the contributors poured scorn on the idea that most television advertisers pay more than lip service to the "general principle" which according to the Independent Broadcasting Authority "will govern all broadcasting advertising: that it should be legal, decent, honest and truthful." One readily accepts that the ads are all legal, but on the other three criteria many are capable only of passing a negative test: they are not actually grossly indecent, not downright dishonest, and not blatantly untruthful. Yet, as the examples at the start of this article surely show, many do not even begin to observe the spirit of the IBA code. When it is known that the real Orson Welles has lent, or hired, his not insubstantial weight to a number of commercials is it decent, honest and truthful for other manufacturers to hire for the voice-over on their commercials a man whose voice sounds exactly like that of Orson Welles—or is it plausible, misleading, and fundamentally dishonest? There are surely very few viewers outside the portals of the IBA who have any doubt about the answer.

Albert Hall/Radio 3

Schumann's Faust

by RONALD CRICHTON

The repetition, at Monday's Prom, of last season's Festival Hall performance of Schumann's Scenes from Goethe's Faust was a good deal more than well done. Once again Michael Gielen conducted the BBC Singers, Symphony Chorus and Orchestra, with the Southern Boys' Choir. The work was given complete, which was not Schumann's idea. The first two parts, before the interval, went pretty well. Part three, written slightly earlier, in more innocent Wagnerian style, and by a plodding, mainly redeemed by the soprano, unidentifiable in the programme, who sang "Jene Rosen" freshly (without affecting memories of Jennifer Vyvyan) and by the ardent bass of Stephen Roberts. No one would deny that Schumann's Faust is uneven, marred by occasions when the composer becomes stuck in a rhythmic tag by a tinkering of malevolent about Wagnerian style, and by bursts of frolicsome bass. More important are the parts that go nearer the heart of Goethe than other large-scale musical settings. Of course Liszt partly and Berlioz utterly expelled Schumann in orchestral imagination—yet by his humbler standards, Schumann here is often surprisingly inventive, while in the handling of the text (admittedly a minor consideration for Liszt, while Berlioz set a French translation) and the clothing of subtle declamation in appropriate harmonies Schumann penetrated deeper. The best pages in his Faust

Covent Garden

Swan Lake by CLEMENT CRISP

The National Ballet of Canada is at Covent Garden for this week, and as if to show us that they mean to make their mark, opened with a Royal Gala of Swan Lake in a house most admirably dressed for the occasion with huge swags and festoons of flowers by Kenneth Turner. Every praise to the Canadians for showing us how the theatre ought to look—and so rarely does—for a special event. The Swan Lake, which the National Ballet brought on their first visit to London seven years ago, is Erik Bruhn's version, redressed for this return by Desmond Heeley: a leafy, autumnal setting for the first scene, suitably Gothic style for the castle's exterior and interior, and a princely entourage whose costuming veers between the court of Valois and some earlier time of hemlines and

gauzy improbability. All suitably fantastically and fine, save for a horrid quartet of jesters in the ballroom, who—as a race—I would condemn to the furthest pit of hell. The National Ballet is clearly determined to show its classical credentials in this season. The style of the ensemble is neat, well-mannered, but the staging is one of those willful exercises which perverts the accepted text of Swan Lake in order to reassert Siegfried as the focal point of the ballet. The pathetic fallacy that a typical 19th century ballerina machine will admit of such treatment (it is an ill-advised outburst of balletic men's lib) results in indecisive dramatic action. The argument is that the male dancer's role is "dull" or "lacking in dancing"; but the ballet was conceived to show off a ballerina, and the danseur must

and can find compensation in establishing a character, in building a continuing emotional rapport with the heroine, and in respecting the first intentions that shaped a masterpiece. Turning the delicate invention of a tiresome Black Queen who flaps yards of drapery whenever a swan appears and is presumably a Freudian extension of Siegfried's character; and a production which lacks all the formal strength of the Petipa/Ivanov original. Much of the traditional choreography is jettisoned in the process, which also involves deceiving gleams from that other will o' the wisp, the ballet that Chaikovsky first wrote. The 1877 score is a structural disaster, and un-realizable—as we have seen on far too many occasions. Given the dubious merits of the staging, the National Ballet do well, with sound ensemble playing from swans, courtiers, peasants, assorted national diversissements, and promising Raymond Smith of the first scene's pas de trois. Impressive, too, the appearance of Mary Jago as Siegfried's favoured companion, and the dignity of Charles Kirby as his Tutor. The Siegfried and Odette/Odile were Frank Augustyn and Karen Kain. They are not helped by the production—Augustyn must spend part of the final scene squatting at the top of a flight of steps while the swan maddens mope—and I found their dramatic playing somewhat cool. Karen Kain, so easy in technique: sure, musical, and fluent in setting out her emotional forces in the first lake-side scene, but achieves a tragic distinction in the final act when she is abandoned and Siegfried dead. Her Odile has tremendous assurance, and also tremendous niceness: no wicked enchantress she, but a lovely girl, whose dancing has a bright gleam, speed, and a most attractive lightness and clarity. Augustyn is a dancer with an expansive, big-phrased style, and with a commendable prowess in the pyrotechnics of the ballroom. Together they suggest the freshness of style that is a characteristic of this company, and one very welcome to the Opera House stage.



Karen Kain and Frank Augustyn.

Elizabeth Hall

Chamber music

by ANDREW CLEMENTS

Apart from Mozart, the thread running through this year's South Bank Summer Music is French. French music since 1830, the prospect calls it, flashings of Ravel certainly, respectable amounts of Fauré, Debussy and Poulenc, but nothing to suggest that French music went anywhere after the demise of Les Six. Monday's concert of chamber music brought out both themes—a surprisingly short programme consisting of a Mozart duo, Ravel's Mother Goose Suite (in the version for piano, four hands) and Fauré's C minor Piano Quartet. One of the exceptional virtues of recent Summer Music has been the opportunities to hear Pinchas Zukerman as a viola player. In chamber music the larger instrument points up qualities in his playing that on the violin tend to disappear under a bravura sheen: a mastery of quietly understated phrasing, remarkably sustained bowing and a beauty of tone practically unrivalled among contemporary violists. In Mozart's G major Duo K423 his control of inflection made Jaime Laredo's otherwise pleasantly divided violin playing seem almost slapdash. It was Zukerman who every time

Coliseum

The Rhinegold by MAX LOPPERT

The English National Opera opens its season with two cycles of The Ring of the Nibelungs. Both are conducted by Charles Groves; the cast for both is an attractive mixture of the company's most seasoned Wagner singers and some interesting newcomers. Rhinegold on Monday made a good start. Like the Groves account of Siegfried in this theatre last February, it was not a revelation of epic Wagnerian drama so much as a demonstration of the importance in Wagner of a cohesive and well-integrated ensemble. All parts functioned responsibly and harmoniously; the emphasis was placed firmly on the opera itself rather than on the novelty value, the brilliant experiments and blinding insights, of its exponents. In this broad, spacious account of the opera, there was evidence of careful preparation. Backstage clunks and clatter were reduced, if not wholly avoided; the lighting had been

reconsidered (though first glimpses of Koltai's Valhalla were no more encouraging than usual); the unfolding of the play had been paced, not just left to its own devices. In the orchestra one immediately noted such things as punctilious string articulation in all the semiquaver furies around the Rhinemaidens, and the aptly judged amount of brass under Wotan's opening pronouncements (the fact that Norman Bailey in very restrained voice throughout the evening, could always be heard without noticeable sacrifice of orchestral volume was a mark of the conductor's ear for balance). The paramount concern, it seemed, was that everything should tell, naturally; that the music should make its points and its effects, as it were, unaided. It was not an exciting Rhinegold. The vastness of the canvas was moderated; the physical impact of the nature painting was under-characterised; there was a shortage of dramatic colouring.

But in its sane, sober way it was a performance of considerable merit. Plenty of elbow room had been allowed the cast; its most vivid members—Emile Belcourt's Loge (with a new note of savagery underlying the impeccable courtesy of his comments), Edward Byles' Mime, the giants of John Tomlinson and Dennis Wickes—filled their space with the sort of expertise that never draws attention to itself. The Alberich of Derek Hammond-Stroud also unfailingly seized the stage, though now and then in a larger-than-life manner that veered towards the territory of pantomime. Katherine Pring, Fricka, lacked line, though not force; the lesser gods tended to be played by their costumes rather than by the singing-actors inside them. Some of the most impressive Wagner singing of the evening came from Anne Collins—Erda's message, its syllables weighted with magisterial steadiness, was for once a matter of highest interest and importance to the audience.

This announcement appears as a matter of record only.

**\$60,827,471**

**Trans World Airlines, Inc.**

Equipment Trust Certificates due July 15, 1994

The Equipment Trust Certificates are being issued to finance a portion of the purchase price of seven Boeing Model 727-231 aircraft to be leased by a trust to the Company.

The undersigned acted as financial advisor to the Company in connection with this financing.

**Bankers Trust Company**

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This announcement appears as a matter of record only.

**\$50,000,000**

**J. C. Penney Financial Corporation**

Senior Notes due 1984

The undersigned acted as financial advisor to the Company in connection with this financing.

**Bankers Trust Company**

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**\$16,335,000**

**Oklahoma Gas & Electric Company**

Leveraged Lease Financing of 450 Gondola Cars

The private placement of the ownership interests has been arranged by

**BT Leasing Services Inc.**

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# FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC3A 4BY

Telephone: 01-262 5000

Wednesday August 8 1979

## Ironing out distortions

TRYING to extract guidance from Britain's bank lending figures is becoming almost an esoteric and hazardous task as attempts to divine the future by the examination of entrails. The City's initial reaction to yesterday's figures was to heave a sigh of relief and buy gilt-edged, since the figures showed almost no increase in total eligible liabilities and a small fall in the interest bearing portion that is constrained by the Bank of England's corset.

### Second thoughts

But second thoughts soon emerged. The London clearing banks overshoot their corset ceilings by only £8m, less than the markets were expecting. None of them has yet breached the relatively painless first penalty zone. But delving into the detail of the figures, which are, as usual, distorted by seasonal adjustments and by large transfers, largely aimed at avoiding the corset, between banks and discount houses and between parent banks and their subsidiaries, there is no sign of a major fall in loan demand.

The best that can be said on the basis of the banking figures is that the upward trend in loan demand is stabilising. But it has stabilised at an unduly high level and there is a danger that loans to consumers may accelerate again once tax cuts start rolling in, encouraging consumers to gear up for another buying spree. Despite the apparently favourable banking figures, it is still quite possible that the July money supply figures, to be published next week, will show growth well above the Government's ceiling.

### Lower rates

This in itself should not be too alarming, since public sector borrowing, currently the most important component in monetary growth, should start falling sharply as the effects of spending cuts and Value Added Tax changes manifest themselves. Hopes of interest rates falling by the end of the year are quite likely to be realised. But it would be a pity if the authorities' probable success in muddling through yet another monetary crisis were to undermine the interest in monetary reform that has appeared recently in some official quarters.

The corset does not seem to have done much to make banks shun their personal customers. The prospect of another upsurge

in consumer lending before Christmas, on the back of the tax repayments, is not causing much alarm among clearing bankers. So far the corset has done more to distort the banking figures than to make life uncomfortable for bankers who insist on remaining loyal to their clients. New methods of monetary control, operating directly on the monetary base of the banking system, will still be needed even if the combination of a corset and high interest rates succeed in bringing the current lending boom under control. It is to be hoped that the Bank of England's new-found interest in the monetary base will continue even if the immediate problems of monetary control are temporarily solved.

### Second question

A second question that should be urgently addressed concerns the use of sterling M3 as the sole target of monetary policy. A reduction in the growth of sterling M3 in the near future could well tempt the Government to lower interest rates prematurely. A policy that puts little weight on other monetary variables, such as non-resident sterling deposits and building society deposits, and allows the velocity of circulation, for example, with measures that encourage mortgage lending, is not the best way of forcing inflation out of the economy. In the end the distortions that other monetary variables disguise work their way back into sterling M3. But by that time much of the damage is done and the economy has to be squeezed the more severely the longer it takes for the trouble to be spotted.

Eventually, the authorities should try to break away from assumptions about a mechanistic link between inflation and some particular definition of money and aim instead at affecting inflationary expectations, as well as the demand for credit, by announcing long-range monetary targets and committing to a steady reduction in monetary growth over several years would enlist the normal forces of the competitive market on the side of the Government, rather than against it. Market behaviour is based on expectations about the future of inflation and Government policy. If these expectations are clearly defined, the market system would help to iron out distortions, rather than creating them.

# Rhodesia: the Tory battle of hearts and minds

MRS. Margaret Thatcher is sometimes described as a woman governed by her political actions by two separate forces—her heart and her head. When her heart takes control, it is said, she is almost always wrong. When her head wins the battle, say her admirers, she is almost always right.

The two key figures in the slow but steady transformation of Tory Rhodesia policy are Mrs. Thatcher, whose heart told her that the April elections in Rhodesia had been "free and fair" and that the Muzorewa regime deserved British support, and Lord Carrington, the world-wide Foreign Secretary and one of Mrs. Thatcher's closest colleagues, whose experience stretches back to the Churchill government, and who takes a thoroughly down-to-earth and practical view of the objectives and limitations of British foreign policy.

The story, of course, is by no means over. The Commonwealth Conference has been a diplomatic triumph for Lord Carrington and a personal tour de force by Mrs. Thatcher. The Government's "aim" will be to "return Rhodesia to legality in conditions of peace and wide international acceptance."

But nobody underestimates the hurdles that still have to be jumped. No previous initiative on Rhodesia has completed the course. If this one does not, that is the end of the story will be an intensification of a war which could embroil the whole of Southern Africa and dangerously internationalise the conflict.

In more parochial terms, a failure could create deep and wounding fissures within the Conservative Government. The starting point for the story is some "matters made by Mr. Francis Pym at the time shadow Foreign Secretary, to Tory party workers in Cambridge on April 9. Mr. Pym left the impression that if the new government was satisfied with the Rhodesian election process, there were circumstances in which it might move towards unilateral recognition.

The reaction to the Pym speech was discreet but forceful. The Americans and various senior Commonwealth leaders made it clear to shadow ministers that if Britain went ahead

and recognised the Muzorewa government, it could not expect their backing. This pressure produced one important result. The Conservative leadership was persuaded not to publish the results of the Boyd report on Rhodesia's April elections before the British General Election on May 3.

This gave Lord Carrington, the new Foreign Secretary, time to play with. During May, there were visits to London by Mr. Cyrus Vance, the U.S. Secretary of State, and a two-man delegation from the Australian Foreign Ministry. There was also a meeting of Commonwealth High Commissioners in London which unanimously urged the Government not to recognise the Muzorewa regime. At the time, Mrs. Thatcher and the Cabinet were immersed in domestic issues, principally the Budget.

On May 22, Lord Carrington made his first major speech in the Lords as Foreign Secretary. He was careful not to accept the Boyd report. The Government would be "guided" by Lord Boyd's conclusions, he said. The Government's "aim" was now to "return Rhodesia to legality in conditions of peace and wide international acceptance."

The speech represented a subtle and almost imperceptible shift in emphasis from the Conservative Party election manifesto policy (see box). The Americans, the Commonwealth and Lord Carrington himself had won their point: Britain could not act on her own, however much the instincts of Mrs. Thatcher and large sections of her party might at one point have regarded it as their "duty" to do so.

By July 1, when Mrs. Thatcher rose to address Australia's National Press Club in Canberra, she was beginning to turn more of her attention to Africa, a continent she had only once visited, in 1965. In reply to a question, she made the fateful comment that "we doubt very much whether a renewal of sanctions would go through the British Parliament." But in a little-noticed passage, she also accepted that "a number of people" were "slightly critical of the constitution" and thought that perhaps there were "one or two too many white people in parliament."

The reaction to the sanctions statement was immediate and forceful. The Americans, the Australians, the Foreign Office



« If the six principles... are fully satisfied following the present Rhodesian election, the next government will have the duty to return Rhodesia to a state of legality, move to lift sanctions and do its utmost to ensure that the new independent state gains international recognition. »—Conservative Election Manifesto April, 1979



A dance to the music of time running out—Mrs. Thatcher and President Kaunda

in London, the African governments, the British business community in London—all, in their separate ways, let Mrs. Thatcher know their feelings.

It was the last significant occasion on which Mrs. Thatcher publicly allowed her heart to rule her head. It was for her, however, unintended the Canberra statement, a case of "sauer pour mieux reculer."

During July, first Lord Carrington in the Lords and then Mrs. Thatcher in the Commons set out Britain's Rhodesia policy. The issue of sanctions dropped almost out of sight. References to "terror-

Commonwealth conference as the last chance to end the Rhodesian war. Their economies were all suffering deeply from the conflict. The only alternative left seemed to be an escalation of the fighting, involving Bushi and Cuban or other Eastern bloc troops. The three Commonwealth front-line Presidents—Julius Nyerere, Kenneth Kaunda of Zambia and Sir Seretse Khama of Botswana—wanted to avoid that if it was possible.

Always in the background was the indefatigable Sonny Ramphal, the Commonwealth Secretary-General, busy trying to pull all the strands together. The Americans, the Australians, and the Jamaicans, too, all played a part in the effort to find common ground.

The weekend before the conference opened, President Kaunda of Zambia called all the front-line states together to line them up behind the Nyerere policy of "last chance conciliation"—a policy which studiously ignored the hard-line Organisation of African Unity position agreed just two weeks before in Liberia.

But one stumbling block remained. Would Mrs. Thatcher's head prevail over her heart? Or would she be provoked by the public and highly personalised hostility towards her in the days before the conference opened? The atmosphere appeared to be bad, particularly when President Kaunda launched an attack on Mrs. Thatcher's Canberra speech on the morning she arrived in Lusaka. There was a real danger that the conference could break up in acrimony.

Suffice it to say that Mrs. Thatcher's performance over the

fore, still be some doubt over whether a sufficient consensus will emerge among "all parties" to enable Mrs. Thatcher to call a constitutional conference at all, let alone secure agreement on a new constitution.

But even if both these things happen, there remains yet another major problem: who will rule Rhodesia in the interim period leading up to new elections? And who will control the armed forces during this time and what will be their composition?

It was on this fundamental issue that the two most recent settlement initiatives—the 1976 Geneva conference and the 1977-78 Anglo-American plan—became, hopelessly, bogged down.

The Bishop and Mr. Smith will probably argue that they must continue to run the country and that their security forces must remain intact. The Patriotic Front, for its part, has always insisted that it should have the dominant role in any interim government, that its forces help keep the peace before independence and that they form the army thereafter.

It is both the strength and the weakness of the new British initiative that it is trying to reverse the order in which previous settlement attempts have tackled the issues. It is designed to secure agreement on a new constitution before addressing the question of interim arrangements.

In what seems a triumph of hope over experience, both Britain and the front-line states are arguing that a constitutional agreement might provide sufficient impetus for interim arrangements to fall into place. The optimism that at present permeates Lusaka comes from the strong backing for the new initiative from the three Commonwealth front-line states, Tanzania, Zambia and Botswana. They are expected to exert strong pressure on the Patriotic Front. But it remains to be seen whether they can deter Joshua Nkomo and Robert Mugabe.

The South African response to Lusaka agreement—both unusually quick and public—must be disturbing for Britain since Pretoria may be asked to play a key role in exerting pressure on the Muzorewa-Smith government.

Hopes for a positive response from Victoria and Salisbury rest on the view that they will see the Lusaka agreement as sealing the failure of Mr. Smith's gamble to secure international recognition through an internal settlement.

More clearly than ever before, the writing is on the wall for that settlement. White Rhodesians and Bishop Muzorewa must know that either they come to the negotiating table or they face a prolonged war which they cannot hope to win and which would devastate their country.

Salisbury's biggest fear now must be a total crumbling of white morale in Rhodesia. It is that, the ever-mounting white emigration rate, the rising death toll from the war (already over 20,000) that could persuade the Zimbabwe-Rhodesia government to come to the negotiating table.

## Meeting China's aspirations

"WHO CRIED for pie? We all did." Thus said the children in the nursery rhyme and thus have the Chinese leadership interpreted the wishes of their people. The recent increases in industrial wages and bonuses and the raising of the State's procurement price for rice by 20 per cent hold out the prospect of the largest increase in urban and rural living standards in China over the past 20 years. Vice Premier Deng Xiaoping and his moderate colleagues are hoping that this bait will tempt a Chinese workforce, disillusioned and disappointed by long years of moral exhortation into higher productivity and thus higher national output.

Hope Along with working harder, Deng wants in return acceptance of the changes that should improve economic performance but are not part of Chairman Mao's legacy. Among these are greater devolution of responsibility to factory managers, the closing down of unprofitable enterprises, the use of the price mechanism to achieve a more efficient allocation of resources and a more extensive use of western technology. The best hope that his policies will succeed is that they represent a sensible reform of China's cumbersome bureaucracy and that they do hold out the promise of satisfying the long felt desire of most Chinese for more pie.

But there are increasing signs of continuing opposition to them. The First Secretary of the Shanghai party committee—the most influential official in the most influential provincial city and a Deng supporter—has just warned his flock in the city that the "treacherous influence of the ultra-radical followers is still 'deep and wide.'" An important party conference on ideology in Shanghai has also called for the re-education of leftists ossified in their ideas. Similarly Chinese papers have reported resistance by officials in the rural areas to implementing the new policies. Such publicity is a sure indication that the anti-Deng faction is still strong.

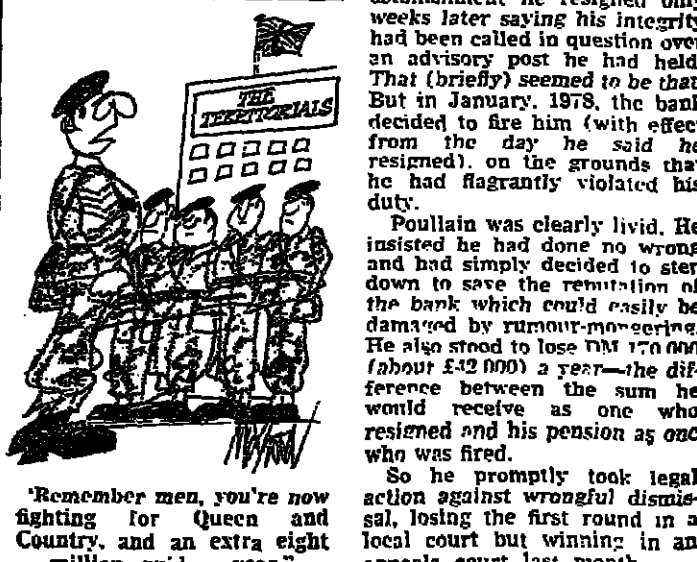
Most of the opposition comes from middle level bureaucrats who got their job in the Cultural Revolution on the basis of class and ideological qualifications rather than any intellectual gifts or managerial skills. They have little understanding of Deng's ideas, dislike the men who are pushing them through, are nervous of their own positions and shirk decisions. As loyal followers of Chairman Mao, they also see in Deng's philosophy a return to the elitist values and the use of material incentives that the puritan Mao denounced. They have the power to put a spanner in the works and they still have powerful, though a diminishing number of friends in the politbureau. For the moment Chairman Hua Guofeng does not seem to be one of them. Deng and he were rivals in the past but now seem to have accepted an uneasy truce.

## MEN AND MATTERS

### New record for social services

As state spending cuts carve into our social services, it is good to see at least one company in the private sector doing its best to fill the breach. The youth-aid organisation "Help," run by the extremely profitable Virgin records company, today moves out of dingy premises in the crypt of a Paddington church to a smart new house in the centre of Kensington.

Richard Branson, chairman of Virgin, started the service some 11 years ago, when he was 17, and in the early days it was a substantial financial burden on his newly-formed company. Nowadays, however, he says the cost—some £50,000 a year—has become negligible compared with the turnover of Virgin, which reached £35m last year. The range of problems tackled does include providing advice and aid on loneliness, adoption, abortion, drugs, homosexuality and other difficulties of the young in the big city. It employs a psychologist to run a



Remember men, you're now fighting for... (Caption partially obscured)

### Double trouble

To be summarily dismissed as head of one of West Germany's leading banks is surely a calamity. To be pronounced dismissed twice over by the same bank must be virtually unique. Such is the fate of Ludwig Poullain, the former chief executive of the West Deutsche Landesbank (West LB) and long one of the country's liveliest financiers.

The tale goes back to the start of December, 1977, when Herr Poullain was confirmed in his post at the top of West LB for a further five years. To general astonishment he resigned only weeks later saying his integrity had been called in question over an advisory post he had held. That (briefly) seemed to be that. But in January, 1978, the bank decided to fire him (with effect from the day he said he resigned), on the grounds that he had flagrantly violated his duty.

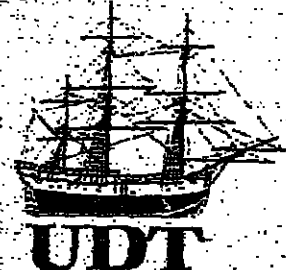
Poullain was clearly livid. He insisted he had done no wrong and had simply decided to step down to save the reputation of the bank which could easily be damaged by rumour-mongering. He also stood to lose DM 170,000 (about £42,000) a year—the difference between the sum he would receive as one who resigned and his pension as one who was fired.

So he promptly took legal action against wrongful dismissal, losing the first round in a local court but winning in an appeals court last month. The West LB not only decided to appeal against the decision to the Federal Court of Justice. It also agreed this week to dismiss Poullain once more—pragmatically, as it were, should the Federal Court's decision go in the ex-banker's favour. The grounds this time are connected with comments about internal bank affairs made publicly by Poullain since he last held his post. Among other things, he has written a book, extracts from which have recently been published in a German weekly, and which caused raised eyebrows in many West German Boardrooms. In the face of this, West LB apparently felt it could hardly sit back and do nothing. But Poullain's reaction to the latest turn of events, too.

But it was decided that the salvage should be dispersed among the Lloyd's community. In charge of the sale is Tony Dugdale, 39, an architect, and his wife Pat, an antiques dealer. He expects the sale will realise £100,000. Already, the interior is being pulled apart. But there is one possible snag: not until September 20 will the City's Court of Common Council give a final decision about the demolition of the building.

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CATERING WORKERS

The 30 years war over 'a living wage'

JOE is a waiter in a large London restaurant earning £36 for a six-day, 40-hour week. Sylvia is a school leaver working as a cleaner in a Bournemouth hotel for £27.20 a week.

For 30 years—ever since the setting up of the Licensed Residential Establishment and Licensed Restaurant Wages Council, which fixes minimum rates for several hundred thousand staff in these hotels and eating houses—the unions have been trying and failing to secure what they consider to be a "living wage" for people like these.

The Council, comprising employer, union and independent members, meets today to fix new minimum rates for the coming year. Although the unions are reasonably optimistic that they will be awarded substantial increases, they are almost certain that they will again fail to reach this year's "living wage" target of £55.

Catering employers have been the subject of long and bitter criticism by the unions for paying what the unions argue are scandalously low wage rates. The industry is singled out as the principal reservoir of low pay and the poverty trap in Britain—the problem being more extensive than deep-rooted than, for example, that among local authority manual workers.

Minimum

Minimum pay rates for a 40-hour week are set by the Wages Council for adult, non-service workers who are not in a position to receive tips, the lowest (grade 1) rate, which covers cleaners, housemaids and lift attendants, is £40.40. Minimum rates rise marginally to grade 6, including butchers, carvers and senior housekeepers, whose minimum entitlement is £52.80.

Minimum rates for service workers (those who would normally receive tips) in grades 7, 8 and 9 range from £33.20 for cloakroom attendants and valets, to £39.60 for waiters and £34 for night porters.

Rates are considerably lower for young staff. The minimum rate for a 16-year-old cleaner working 40 hours is £27.20 and £22.40 for service workers at the same age. Rates are £2.40 higher than this across the board in London.

Staff living and eating in have to face considerable reductions in rates. For workers over 21, minimum rates are reduced by 12p an hour for meals only and 50p an hour for full board. The total amount to more than £10 for a full working week.

Minimum pay for waiters in London can also be subject to sizeable set reductions, providing employers make up the total leeway through guaranteed tips.

Mr. Colin McGrath, leader of the employers' side on the Wages Council, has a back-ground in personnel work outside hotels and has a more open mind than many of the employers for whom he negotiates. He agrees with the union side that these rates do not constitute a "living wage".

However, he strongly defends the employers' line—and much of the earlier work of the Wages Council—arguing that the industry is not a low-payer.

This is, on the surface, a paradoxical view. It appears to result from a fundamental difference between employers and unions about what the Licensed Residential Establishment and Licensed Restaurant (LRE/LR) Wages Council is for.

Employers say the most typical employee of the 550,000-700,000 covered by the council is not a full-time career worker in a big London hotel but a young girl or man doing seasonal work in a holiday hotel in Torquay or Bournemouth.



Strike without bite—the Garner's Steak Houses dispute

Hotel owners argue that the majority of workers are seasonal or part-time and that the council's minimum rates should be geared to them, and that on this basis, the rates are not as low as they might appear.

Employers reinforce this argument by pointing to what they consider to be much better general pay for full-time catering workers, usually in big hotels.

Certainly, the unions—particularly the General and Municipal Workers Union, which is the biggest catering industry union—have made significant strides in signing negotiating agreements with big hotel chains. These have tended to result in pay rates above the minimum.

Negotiating agreements signed by the General and Municipal cover such groups as Grand Metropolitan, Embassy, Rio Stakis, Butlin's and Pontin's. Trust Houses Forte, the largest group in the UK, is the most notable example

of a hotel chain where catering unions are not recognised for bargaining purposes. Hotel and restaurant owners also claim that permanent staff in seasonal establishments not covered by negotiating agreements generally receive "reasonable" pay: £80-£90 for chefs, for example.

The other principal argument used by owners is profitability—that rises in minimum rates would drive many establishments to the wall.

On this point, there is an acceptance among many employers that too many of them have in the past cried wolf too often.

Mr. McGrath, however, says that since the improving profits of 1975-78, profits have slumped, particularly during this spring and summer. This has been particularly apparent in London and employers do not see this as temporary.

These arguments do not go down well with the unions. The General and Municipal, which has the majority of union seats on the council (the other unions are the Transport and General and the Union of Shop, Distributive and Allied Workers) claims that the employers' own training board figures show that 63 per cent of workers covered by the council are full time.

Mr. Fred Cooper, the General and Municipal's national catering industry officer and leader of the union side of the Wages Council, says that in any case the balance of full-time and part-time workers should not be the economic and moral nub of the argument.

Wages councils are obliged to provide "reasonable remuneration." "Even if workers are seasonal they are doing a full job while they are working," says Mr. Cooper. "It's not much of a wage to live on and many will be unemployed after the season is over. Quite a lot of them rely on it as their sole wage."

The claim submitted by the union side uses figures showing

that average earnings for licensed hotel and catering staff were £56.90 a week last year as against £82.50 for manual workers in industries. The £56.90 compares with an average of £69.30 for employees in all industries where minimum rates are fixed by wages councils.

The unions also point to the gross earnings—£61.75—needed by a couple with two children to equal, after deductions, the supplementary benefit entitlement of £53.90.

The "comparator" industries used in the unions' figures cover all manual workers except those in industries covered by wages councils and in local authorities and the health service (pay for which was being studied by the Cleeg Commission at the time the claim was drawn up).

Employers say these pay comparisons are warped by excluding these groups but including many highly skilled workers.

The unions concede that for many catering jobs the skill factor is low, but they also say in line with the general TUC campaign on low pay, that there is a wage level below which no one should fall.

Minimum rates fixed by the LRE/LR Wages Council have been broadly similar to those fixed for licensed non-residential establishments (pubs and clubs) and for unlicensed places of refreshment (cafes). The latter recently fixed new rates—an increase of 25p on hourly rates with an extra £10 a week for managers. For some of the lower grades this represented rises on minimum rates of about 30 per cent. Some of these rates are now higher than those in hotels and restaurants.

The minimum rate for cafe managers in London is now marginally over £50. All three unions maintain that the great majority of workers on all these councils are still caught in the "poverty trap."

In the case of hotels, this is strengthened by the employers' admission that minimum wage council rates are much closer to the actual earnings of hotel staff than they used to be.

The employers' argument on profits does not receive any sympathy from the unions. The workers' side says the industry is highly profitable, has increased prices often well above changes in the Retail Price Index and has provided no evidence that price rises lead to a decrease in demand.

Mr. Cooper argues that there is no reason yet to believe that poor profit performance this year will not be temporary. Pay is by no means the only bone of contention. Many of the other problems are rooted in the industry's past and, employers would argue, in the special nature of hotel and restaurant work.

Shift work, overtime, and employment laws affecting living-in accommodation are deep sources of resentment by union negotiators.

Shift work, overtime, and employment laws affecting living-in accommodation are deep sources of resentment by union negotiators.

The unions have little strength with which to exert pressure on an employer and have consistently failed in industrial battles—disputes at Garner's Steak Houses and the Grosvenor House Hotel being recent notable examples.

The Advisory, Conciliation and Arbitration Service is currently assessing a union application to have the Wages Council changed into a statutory joint industrial council where employers and unions negotiate directly without independent members present.

The unions concede that in the absence of a legally-enforceable national minimum wage statutory minima in catering must continue to be fixed as a safety-net.

Mr. McGrath agrees that there are abuses by employers but that much of this results from ignorance of Wages Council orders. The employers' side is planning an easily-readable code to be available in hotels to help combat this.

The unions are expecting that the wages council may fix a new minimum for adult non-service workers above £50. But with many catering workers entitled to much less than this, the industry will still be paying, at best in the unions' eyes, wages that are unacceptable in a western economy.

seeking a reduction to five days (together with the standard claim for a 35-hour week). Extra payments for having shifts "spreadover" are low and the unions are seeking to increase these.

They also want a reduction in the number of grades of staff. The employers are co-operating with this.

The unions are also concerned that there is not enough protection for some hotel staff living-in when they lose their jobs, although this is a matter which can only be really settled by Government legislation.

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Letters to the Editor

New auditing requirements

From Mr. A. Nelson. Sir—The idea of reviews as opposed to audits, for small companies is not, in my view, original to Mr. Ian Percy (August 1). It has been widely canvassed by the Institute of Chartered Accountants in England and Wales, which is of course "dominated" by the large audit firms, which themselves favour it, and is opposed by, among others, the Association of Certified Accountants whose views are much more representative of the smaller audit firms which are actually involved in the audits for which Mr. Percy would like to substitute a review.

The usual reasons advanced for this idea are that because many such businesses are involved in retailing where considerable cash transactions take place, and also because they are relatively unsophisticated in their controls, they are "un-auditable." Cash transactions do, of course, present problems, but many large businesses have an enormous volume of cash business, and while they have their systems of control there is no doubt that they suffer from pilfering, and considerable sums are involved. Anyone who has been involved in the administration of such businesses knows that it is impossible to eliminate this. Thus, despite the sophisticated nature of their methods, such businesses cannot be entirely absolved from this criticism.

The problem may be more acute when fewer individuals are involved in management, but the auditor is, or should be, quite capable of forming an opinion on the evidence before him as to whether or not the accounts under consideration present a true and fair view. As in internal control, in many small businesses the audit checks possible can usually easily compensate for any deficiencies.

One cannot but wonder what would be the value of a report from an accountant which said that he had confined himself to discussion and review, and had made no attempt to verify the figures to which he was attaching his name, yet this is what is seriously proposed. I suggest that the initiated such a report would be considered worthless, and the uninitiated would simply believe that some sort of second-rate audit had been carried out. The result would, in my view, merely serve to reduce the standing of the profession in the eyes of the public, and would certainly not benefit the business community. A. W. Nelson. Opass Billings Wilson and Honey. Numeric House, 98, Station Road, Sidcup, Kent.

Cathedral vergers

From the Head Verger, Salisbury Cathedral. Sir—It is most unfortunate that an article such as "Black gown" but a "business collar" (July 31) based on an interview with only one cathedral verger should nevertheless be written as applying generally to all cathedral vergers. Michael Heather is most certainly not the youngest head-verger in the Church of England, but he may have been on his appointment, but you will have to look no further than Exeter to find a younger man.

man. A quick round up of my colleagues in other cathedrals, all known to me, produces ages of 32, 30, 37, 45. My own age is 62, but I started here at 48. Surely none of these men could be fairly described as "on the top end of the age scale." This was not an exhaustive inquiry by me—just 30 minutes of "phone to my friends."

Mr. Carey's man in black gown is possibly at Gloucester they still wear black. Salisbury wears green. Exeter, red. Coventry "mustard soup," to name but three. The plastic collar and dandruff image exists in comedy programmes on TV and in Heather's imagination. No cathedral chapter would engage such men today.

The statement that the Guild of Vergers is a "tea and buns lot" is just nonsense. Heather is not likely to be an expert on this, is he? He is not even a member. Those branches who go on a Saturday afternoon do so because so many members are part-time workers, mostly unpaid, who are only free on Saturday. The cathedral vergers willingly give up four Saturday afternoons a year to offer expertise, advice and support to their colleagues in parish churches up and down the country in order to make some sort of contribution to their own chosen profession. Heather presides his football!

Thirty vergers meet each year in Birmingham, and whether it is to attend a four-day conference, a pretty concentrated effort, where they try and find ways of improving their service to the Church on both spiritual and practical matters. Not exactly a "tea and buns lot."

New Town assets

From the General Manager, Peterborough Development Corporation. Sir—Christine Moll's interesting article (August 3) about the disposal of new town assets contained a statement that could be very misleading: that "the Treasury provides all the development finance for the new towns." This was wholly untrue, only in the very early stages of new town building. From the middle 1950s new town corporations have engaged private finance in a variety of ways: by private housebuilding for sale, by firms building industrial and commercial properties for their own use and for letting, and increasingly in late years by institutional funding of factory, office and shop developments.

In Peterborough new town, for instance, such private investments so far account for, at cost, almost £100m of completed building. In addition, Development Corporation industrial and commercial projects now under way have a contract value of £45m. Of this, £31m is being provided by insurance companies and pension funds. On top of all this, there is private building of houses for sale and of industrial and commercial properties has a value of £37m. So although public finance is

important, private finance is making an ever-growing contribution to the building of this and other new towns. Wynndham Thomas, PO Box 3, Touthill Close, Peterborough.

Real gas interest

From the member for finance, British Gas Corporation. Sir—I see in your issue of August 3 that Professor Myddelton calculates the real rate of interest paid by British Gas over the seven years since 1972 as minus 8 1/2 per cent. The actual interest paid by the corporation over the seven years was £1,021bn in respect of cumulative capital liabilities over the seven year period of some £13.5bn giving an average rate of interest paid of plus 7 1/2 per cent. Even if these sums are expressed at today's money values, we still come up with the same rate of interest. Similarly when British Gas starts depositing cash with the Government we shall receive interest on the money deposited reflected by actual cash payments.

Agriculture in Russia

From Mr. L. Voskresensky. Sir—I read the article "Food blow to Soviet growth" by Anthony Robinson (July 26) with interest. For all the problems which still confront our agriculture I am afraid such articles overlook too easily the tremendous progress it has made. It should not be forgotten that the USSR leads the industrialised nations in its annual average increment of farm production.

Coal Board pensions

From Mr. R. Nottage. Sir—Your report (August 3) that the National Coal Board is "discussing the possibility of the Government taking over its commitments to those pensioners on its books before 1975, when the pension arrangements were restructured." If the Government agrees in this it should take the opportunity to finance the pensions concerned by the pay-as-you-go method instead of funding them as at present. Unless it does so the only result will be a face-lift for the NCB's accounts to give them the appearance of commercial respectability, secured unfortunately at extra cost to the taxpayer and without the nation becoming a penny better off.

With this change of policy the question would arise whether the taxpayer should be refunded payments he has made to the NCB's pension funds over the past six years—at least beyond the level that would have been required to meet the pensions concerned on a pay-as-you-go basis. These payments, which amount to £134m, would surely be suitable candidates for a Treasury claw-back. These Government actions would in no way affect the benefits to which former NCB employees are entitled. These pensioners would take an honourable place alongside the many former public sector employees and others, among them civil servants, members of the armed forces and war pensioners whose pensions have always been financed on the pay-as-you-go basis. The Government would, however, secure for itself a useful reduction in the public sector borrowing requirement. That the NCB pension fund managers would have somewhat smaller empires

over which to preside would, presumably, not agitate the nation greatly.

The policy the Government adopts in regard to the NCB could also be highly relevant to British Rail which has very similar problems. Taxpayers' subsidies in BR's pension funds have recently amounted to £463m. It has been stated that the Government plans to halve the previously agreed annual pension fund grant, leaving British Rail, one must assume, to find the other half as best it can. This formula would do no more than provide a face-lift to Government estimates to give them the appearance of economy while causing another hike in rail fares. Once again there would be nothing in it for the country as a whole.

It is only by a switch from the pay-in-advance (or funded) system to pay-as-you-go that actual, as opposed to apparent, savings can be made in the cost to the nation of public sector pensions. Raymond Nottage, Reform Club, Pall Mall, SW1.

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Today's Events

GENERAL UK: Sir Geoffrey Howe, Chancellor of the Exchequer, meets Customs officials union leaders to discuss pay dispute. Sir Keith Joseph, Industry Secretary on Scottish tour visits National Engineering Laboratory, East Kilbride. TUC economic committee meets. Strike by civil engineering workers in open cast coal mining over pay and negotiating rights. Post Office management meets unions on telecommunications dispute. Committee of eight craft and manual unions at Imperial

Chemical Industries meets to discuss pay claim. London magistrates' court clerks pay talks resume, Bow Street Magistrates' Court. New Sports Take Off exhibition opens, including windsurfing, hang-gliding and grass skiing equipment, Design Centre, Haymarket (until September 8). The Queen joins Britannia at Southampton for cruise in the Western Isles. Overseas: Judgment on extradition from France to

South Africa of Dr. Eschel Rhoodie, former director of South African information service. Sir Kenneth Cork, Lord Mayor of London on tour of Far East, arrives in Seoul. COMPANY RESULTS Final dividends: Benn Brothers, City of London Brewery and Investment Trust (includes third interim); David Dixon and Son Holdings, G. M. Firth (Metals), Hume Holdings, United Dominions Trust. Interim dividends: Ault and

Wihorg Group, J. Bibby and Sons, Comben Group, English and Scottish Investors, Glyndeb, Securicor Group, Security Services. COMPANY MEETINGS British Tar Products, The Cafe Royal, 68 Regent Street, W. 12, Britain. The Great Eastern Hotel, Liverpool Street, EC. 12.30. Brown and Tawse, Kingsway West, Dundee, 12. Chubb, Abercorn Rooms, Bishopsgate, EC. 12. Mountview Estates, Russell Hotel, Russell Square, WC. 12. Regalton Properties, The Cumberland Hotel, W. 3.

THE WELLMAN ENGINEERING CORPORATION LIMITED

REJECT

THE REDMAN HEENAN OFFER

DO NOT SIGN THE YELLOW PROXY CARD

or any other document sent to you on their behalf

- ★ The offer does not allow you to retain the final dividend of 1.41p already approved by you and is therefore equivalent to only 63.6p per share.
★ Your Board forecasts that profits before tax for the current year to 31st March, 1980 will be in excess of £2,000,000. This is equivalent to earnings of not less than 8.5p per share.
★ For the current year your Board intends to recommend dividends totalling not less than 3.35p per share—an increase of 25 per cent. on last year.
★ The offer would deprive you of the benefits accruing from the acquisition of IHBD.
★ Wellman's employees support your Board.

THE OFFER IS A VERY POOR ALTERNATIVE TO THE ACQUISITION BY WELLMAN OF IHBD.

THE ACQUISITION OF IHBD REPRESENTS A GREAT OPPORTUNITY FOR THE LONG TERM EXPANSION AND PROSPERITY OF YOUR COMPANY.

SIGN, COMPLETE AND RETURN NOW

THE BLUE PROXY CARD "FOR" THE ACQUISITION OF IHBD

The Directors of The Wellman Engineering Corporation Limited have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and they jointly and severally accept responsibility accordingly.



UK COMPANY NEWS

Acrow produces record £13.8m: exports growth

IN LINE with expectations at midway, the Acrow engineering group has produced record results for the year ended March 31, 1979, with pre-tax profits up from £13.14m to £13.78m on turnover of £151.2m against £147.2m.

HIGHLIGHTS

The eagerly awaited banking figures for the month to mid-July turned out to show that most banks had somehow managed to wriggle free of the corset, but Lex discusses why the figures may be misleading. On the company front Acrow has managed to hold profits despite the effects of sterling on crane exports and the shares, which had fallen by more than a half this year, extended their recovery. The ailing health of the stock market community was aptly illustrated yesterday by the poor results and slashed dividend from Jobbers Smith Brothers. Finally Lex looks at the annual report from Plessey, which is forecasting a significant improvement in the current year. Elsewhere, further action was recorded on the Bestobell/BTR and Wellman/Kasman bid fronts and Unitech comes up with a £4.7m rights issue.

Over £4m for Wagon Industrial

Profits before tax of Wagon Industrial Holdings, the engineering group, rose from £3.71m to a record £4.22m in the year to March 31, 1979, on increased turnover of £41.73m against £36.15m.

Gearing has apparently been averaging only 13 per cent over the past few weeks and, after a 27 per cent tax charge, a capital spending target of some £3m this year against £2.5m should be comfortably covered by cash flow. In that context, a maintained dividend cover of 2.44 times looks somewhat niggardly but Wagon is now talking of yet higher capital spending in 1980-81, particularly in the office equipment and the oleo pneumatic fields, and a yield of 8 per cent covers immediate income requirements. The shares stand at 164p where the p/e of 7.5 on a standard tax charge offers a sound base for capital appreciation.

Halfway surge for Carron

IN THE first half of 1979 Carron Company (Holdings) has shown substantial progress, with profits before tax being doubled to £860,000.

The net final dividend of 5.22p lifts the total to 8.72p (7.67p). At halfway, a final of not less than 4.99p was forecast. Tax took £1.14m, against £784,740—SSAP 15 has been adopted and comparisons restated. Earnings per 25p share are given as 44.1p (39.82p) before tax, 32.2p (31.22p) after tax as charged, and 21.12p (18.87p) after tax at 52 per cent. Retained profit came through at £2.23m (£2.19m).

Wagon Industrial's only source of disappointment last year was the Link 51 subsidiary which suffered a second half strike costing about £300,000, and whose exports to the Middle East fell some £800,000 below budget. The upshot was a slightly worse than static performance from the material handling and office equipment division with a contribution of £2.4m—57 per cent of total pre-tax profits. Against that, other divisions have performed well and, on the assumption that internal strike costs can be eliminated this year and the volatile Middle East markets come up trumps, Wagon should be capable of rather more than the year's 14 per cent pre-tax

Cooper Inds. finishes on £2.05m

DESPITE A fall in second half profits from £1.14m to £770,000, Cooper Industries finished the year to April 30, 1979, with the taxable surplus up at £2.05m, against £1.82m previously. Turnover was down from £24.72m to £21.92m.

The net final dividend is stepped up to 0.75p, against a mid-way forecast of 0.49p, which makes a total of 1.25p (0.855p). At the halfway stage, profits were well ahead at £1.28m (£885,000), and the directors said that, although the order position remained weak, they hoped the company could maintain the level of activity. Tax for the year took £1.19m (£1.14m). There is an extraordinary credit of £219,000, against £212,000. Stated earnings per 10p share of the steel re-roller and precision engineer are up from 22.5p to 25.8p.

Horizon to spend \$33m on three more Boeings

Horizon Travel, which made record mid-year profits, is to spend about \$33m on three more Boeing 737s. Earlier this year the group confirmed that it was to buy two 737s, costing \$19m and to lease a third.

Conditional contracts have been signed for the three additional aircraft, which should be delivered in the first quarter of 1981. The group, formerly Horizon Midland, lifted the pre-tax surplus from £345,434 to £495,735 in the first half to May 31, 1979 on turnover well ahead from £9.36m to £16.38m. The interim dividend is up from 1.62744p to 1.87p net per 5p share.

Last year the group paid a total of 5,643p on record profits of £2.95m (£1,02m), and in May the chairman said the Board anticipated a steady increase in profitability. The directors who are now looking for record year-end profits for the first half improvement was mainly due to the much higher number of passengers carried.

The directors add that bank facilities have been arranged to cover the 1980 borrowing requirement, and the company is now negotiating facilities for the longer period which may include leasing one or more of the additional aircraft as an alternative to borrowing. Tax for the half-year is up from £181,000 to £277,000 leaving

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date of payment, Corrected dividend, Total last year, Total this year. Includes Aarons Bros., Acrow, Aquis Secs., Carron, Centraway, Cowan de Groot, Cooper Inds., FMC, Greenall Whitley, Hambro Tst., Horizon Travel, Smith Bros., Unitech, Wagon Ind., Geo. Whitehouse.

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † Final of 1.75p forecast which will make 4.5p for year. ‡ For nine months.

Hambro Tst. earns and pays more

AGAINST a period when the results were inhibited by currency windfalls, Horizon has turned in profits 44 per cent higher for the first half, thanks mainly to a sharp increase in winter holiday bookings. Over the first six months roughly 130,000 passengers were carried, an increase of 94 per cent, with an improved load factor. This was probably due to early publication of the company's winter holiday brochure, just when demand was at its height. The outlook for the second half is equally good. The company forecasts that summer holiday passengers will total 200,000, bringing the number for the full year to around 300,000—a 36 per cent increase. However, the important summer load factor is not likely to match the previous year's 94 per cent, mainly because of a recent drop in demand for Spanish holidays. Overall, around £3.5m pre-tax could be possible, which puts the prospective fully-taxed p/e at 6.8. With a historical cover of 11.0, this offers a plenty of scope for a healthy dividend increase for the year.

Other income amounted to £25,000 (£29,000), and £1.41m (£1.01m) for amounts not distributed by associate companies and £30,000 (same) for preference dividends were deducted in arriving at the amount available for ordinary payments which advanced from £305,000 to £339,000. Before investment gains and extraordinary items, earnings per 25p share were up from 1.85p to 1.93p and the net final dividend is 1.87p for a 2.25p (2.02p) total.

The company is "close" and its principal asset is the holding in Hambro Ltd, which represents 15 per cent of that company's equity.

Cowan de Groot expands 15%

WITH improvement from all activities, pre-tax profit of Cowan de Groot, the toys, giftware, electrical wholesaling hardware and machinery group, lifted pre-tax profit by 15 per cent from £1.92m to a record £2.2m in the year to April 30, 1979.

Turnover expanded 21 per cent from £32.17m to £38.92m. Current group sales are again ahead of 12 months ago and the directors expect another satisfactory year. After tax up from £1,000 to £68,000 per profit in 1978-79 went ahead from £1.91m to £2.14m. Earnings per share are shown at 18.2p against 14.4p. The directors are recommend-

ing a final dividend of 2.2p raising the total from 2.308p to 3p, absorbing £435,000 (£265,000). To mark the group's 60th year of trading, a one-for-10 scrip issue is also proposed.

Apart from a sharp jump in interest charges (up 76 to £520,000 to finance the increased turnover), Cowan, de Groot's results have been dampened by a number of non-recurring factors. In the first place there were closure costs of roughly £100,000 at Millbrook Plastics while two of the main subsidiaries were being moved into larger premises. Most of last year's 15 per cent profits growth came from the toys and giftware division, which advanced by nearly a third to £770,000 pre-tax. This was principally due to a recovery in sales of padding pools at Dekker, which had suffered in the previous year from the poor summer weather. Helped by the rationalisation measures, the company should be able to continue on a steady, though un spectacular, growth path. The shares, at 79p (down 8p), stand on a p/e of 4.7 (low charge) while the 30 per cent dividend jump increases the yield to 5.7 per cent.

Plessey in strong position

WITH AN order book of £817m and a strong balance sheet, the prospects at the Plessey Company, continue to improve. Sir John Clark, the chairman, tells shareholders in his annual report.

This improvement will not come all at once "but steadily as we work for it," Sir John says. He looks forward to 1978-79 with confidence that the factors limiting performance in recent years are being eliminated and resolved and that a new growth pattern derived from the group's product strength will begin to show through in increasing profitability.

The chairman refers to the contract from the Post Office for the new CDSSI digital system which the group has developed to replace private automatic branch exchanges under 100 lines. The group will be receiving soon from the Post Office, the first production contract valued at over £14m, will be marketed under the Monarch label and is expected to be introduced to the market in 1980. For the year ended March 31, 1979, the group reported pre-tax profits of £46.25m against £42.8m previously. CCA profit is reduced to £19.8m after adjustments of £38m and gearing, £7.3m. In telecommunications the move from electromechanical to modern electronics in the public network is exemplified by the growth in orders for TXE 4, which at £30m have almost doubled over the previous year. First production orders for System 1 have been received from the Post Office and production is well advanced. Momentum was well maintained at Plessey Electronic Systems with a 27 per cent profit growth after taking into account rationalisation charges in previous years.

Unitech profit and dividend higher: £4.7m cash call

TURNING IN higher profits and dividends for the year ended June 2, 1979, Unitech, a major electrical component and equipment group, announces a £4.7m rights issue.

Pre-tax profits are up by 14.4 per cent to £36m and the gross dividend is lifted by 15.4 per cent to 7.25p for a yield of 4.5 per cent. A further 20 per cent rise in the dividend to 8.7p is forecast for the current year. The net total amounts to 5p (4.03p), with a final of 3.32p.

At midway profits were ahead by 25 per cent and the directors said that while there would be some slowing down in the rate of increase a further rise in the second half profit was expected. In the event that period produced an improvement from £1.99m to £2.15m. Part of the rights proceeds will be used to acquire Constable, a French supplier of metal and plastic components, for £485,000. About £1m is to be injected into Unitech operations to expand facilities and increase sales volume.

But the major portion of the cash is to be held while the group works out one or two acquisitions in the U.S. and Europe, at a combined cost of some £3m. This will probably mean the acquisition of an American supplier of electrical components or microprocessor technology, or possibly, a German or French company. Unitech imports goods from the U.S. and is as an agent for several component producers.

such as Texas Instruments, Fairchild and Hewlett Packard. The issue is to be in a one-for-four basis at 145p per share. In the market the share fell 10p to 172p where the p/e is 11. The discount, which aims to 20.3 per cent at the start of yesterday's trading, thus fell to 15.7 per cent. The issue is underwritten by Hill Samuel.

Table with columns: 1978-79, 1977-78. Includes Sales, Selling profit, Interest, Pre-tax profit, Manufacturing, Electronic Equipment, Industrial controls, Other, Total, Net profit, Profit on invest. sale, Interest dividend, Final dividend, Earnings per share.

The directors report that the current year has started well with sales for the first two months ahead of last year. They believe that opportunities now available should enable a satisfactory rate of growth in the coming years.

A. GOLDBERG A. Goldberg and Sons' rights issue of 4.7m new ordinary shares at 80p per share has been taken up in respect of 4m shares or 95.54 per cent. The balance of 190,284 shares has been sold at a price of 80p

FMC recovers in second half

BRITAIN'S largest meat business, FMC staged a sharp recovery in the second half of 1978-79 despite continued "unfair" competition from other EEC suppliers of meat into the British market.

The second half profit amounts to £2.5m and takes the total for the year ended April 28, 1979, up to £2.51m. This compares with £0.93m for the previous year and with £3.1m for 1976-77. Commenting on the results Mr. David Darbishire, the chairman, says that they must be considered satisfactory as for the second year running the group had to operate against "heavily subsidised imports and penalised exports, resulting from the application of Common Market rules on Monetary Compensation Amounts."

The group also had to bear increased interest charges of £2.59m against £1.79m. The chairman says that the meat and by-products division achieved its profit plan for the year. While the New Zealand business again made a useful contribution. The poultry division returned a profit for the period prior to its disposal to Sun Valley Poultry in January for £2.3m cash. The Harris division produced a better result overall, although the bacon factories' profits were sharply lower because of unfair competition from imports. The year-end balance-sheet will reflect a surplus of £1.6m on revaluation of properties and a reduction of £2.1m in group borrowing.

Earnings per share are stated to be up from 12.5p to 16.99p and the dividend is stepped up to 6p, restoring the level of two years ago. The group is controlled by the Development Trust of the National Farmers' Union.

Referring to the current year the chairman reports that an encouraging start has been made. However, general economic conditions and high interest rates in particular, promise yet another difficult year.

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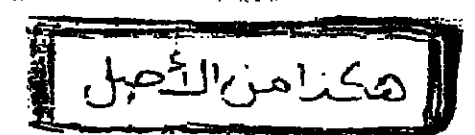
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TRIPLEX FOUNDRIES advertisement. Features: First reduction in Profits for 7 years. Results for 1979 and 1978. Extracts from the Chairman's statement. Foundries Division, Engineering Division, Industrial Services Division. Chairman: R. Harrison.

STEAD & SIMPSON LIMITED advertisement. Footwear retailers and motor dealers. Record results with pre-tax profits up 48%. The following points are from the Report and Accounts and Statement of the Chairman, Mr. Harry E. G. Gee, for the year to 31st March, 1979. Table with 1979/78 and 1978/77 data for Turnover, Profit before tax, Profit after tax, Extraordinary items, Dividends, Earnings per share.

COPENE advertisement. Petroquimica do Nordeste S.A. An affiliate company of Petrobras Quimica S.A. — PETROQUISA, Brazil. US \$40,000,000 Medium Term Credit. Libbra Bank Limited, Banque de Paris et des Pays-Bas, Midland Bank Limited, National Westminster Bank Group, RBC Finance B.V., Swiss Bank Corporation (International) Limited, WestLB International S.A. Arranged by Libbra Bank Limited, As Agent, July 1979.

BAKERS STORES advertisement. Results for the half-year to 31st March, 1979. "Pre-tax profits increased 50%". I am pleased to report that the half-year profits to the 31st March, 1979, are once again at a record level. Pre-tax profits for the period increased to £29,424 compared to £216,787 for the same period last year, an increase of 50%. Directors were pleased to declare an interim dividend of 0.65p per share which compares with the total dividend paid for the last full year of 1p per share. BARRY BAKER Chairman. BAKERS HOUSEHOLD STORES (LEEDS) LIMITED. AUDREY HOUSE, 46,000sq.ft. of Air-conditioned Offices To Let. Sole Agents: Richard Ellis, Chartered Surveyors, 64 Cornhill, London EC3V 3PS. Telephone: 01-263 3090. Richard Ellis.





UK COMPANY NEWS

BIDS AND DEALS Bestobell advances 37% to £3.26m at midway

BESTOBELL, still fending off BTR's unwanted £23m bid, produced first-half figures yesterday showing a 37 per cent rise...

growth in 1979. Indeed, as the second half seems to have begun well—the cash deficit is now more or less stemmed—they make the forecast look rather dim.

COMET SELLING CALEDONIAN SUBSIDIARIES

In line with its stated policy, Comet Radiovision has started disposing of the engineering and ladies' hosiery divisions of its subsidiary, Caledonian Holdings...

Debenhams sells photo shops to Dixons

THE Debenhams stores group has agreed to sell its loss-making chain of 22 High Street photographic stores operated by Greens to Dixons Photographic for £1.7m.

WENHAM AND WEMYSS

Wenham and Wemyss, a private holding company, has acquired the whole of the issued capital of the Bedford-based Simplex and Wemyss, with an authorised capital of £500,000...

Smith Bros. slumps to £0.3m: cuts dividend

WITH second-half profits diving from £44,233 to £60,295, the taxable surplus of Smith Bros., jobber, slumped to £282,906 in the year to May 4, 1979...

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are to be paid...

Aaronson Bros. jumps to £2m and raises interim 20%

TAXABLE PROFITS of Aaronson Brothers jumped to a record £2m, compared with £1.68m, in the half year to March 31, 1979. The net interim dividend is lifted from 1p to 1.2p.

Wellman forecasts over £2m profit and 25% dividend increase

Wellman Engineering Corporation is forecasting pre-tax profits of over £2m for the year to March 31, 1979. The projection includes a pre-tax contribution of £450,000 from the proposed Industrial Heating Business Department for 33 weeks.

Shoe trading pushes Centreway over £1.5m—pays 64% more

AN INCREASE of 51 per cent in profits accompanied by a 64 per cent boost to the dividend is reported by Centreway, the Birmingham-based industrial and motor holdings group...

RESULTS AND ACCOUNTS IN BRIEF

CHERRONESH (FMS) ESTIMATES—Turnover for 1978, £2.23m (£2.25m). Rubber profit £126,922 (£138,302); Coconut profit £161,430 (£148,878). Net dividend £123,713 (£172,300).

MINING NEWS Exchange losses hit Comalco

ALTHOUGH ESTIMATED group net profits for the half-year of Australia's Comalco have risen by 22 per cent to A\$29.7m (£11.9m), the subsequent provision for exchange losses on foreign currency borrowings has lowered them to A\$13.9m compared with A\$16.3m in the same period of 1978.

Commenting on the results, Mr. Lewis said all equity areas had been difficult in the last three months. One factor affecting margins on the international side had been the drop in the effective dollar premium, which hit sterling profits. Conditions in gold share dealing had also become more competitive.

MINING BRIEFS

COBAR MINES—52 wks, 54 wks, 55 wks, 56 wks, 57 wks, 58 wks, 59 wks, 60 wks, 61 wks, 62 wks, 63 wks, 64 wks, 65 wks, 66 wks, 67 wks, 68 wks, 69 wks, 70 wks, 71 wks, 72 wks, 73 wks, 74 wks, 75 wks, 76 wks, 77 wks, 78 wks, 79 wks, 80 wks, 81 wks, 82 wks, 83 wks, 84 wks, 85 wks, 86 wks, 87 wks, 88 wks, 89 wks, 90 wks, 91 wks, 92 wks, 93 wks, 94 wks, 95 wks, 96 wks, 97 wks, 98 wks, 99 wks, 100 wks.

FALCON MINES EARNS MORE

Quarterly working profits at Zimbabwe-Rhodesia's gold producer Falcon Mines exceeded ZR51m (£ ) for the first time ever in the three months.

Geo. Bassett to benefit from expansion strategy

WHILE Geo. Bassett Holdings is continuously seeking profit improvement of UK sugar confectionery sales, the chairman says the VAT increase is unlikely to benefit the UK confectionery industry as a whole but the diversification sector of the business continues to perform satisfactorily.

NOTICE OF REDEMPTION AND TERMINATION OF CONVERSION RIGHTS Mitsubishi Electric Corporation

7½% Convertible Sinking Fund Debentures due March 31, 1991. NOTICE IS HEREBY GIVEN to the holders of the 7½% Convertible Sinking Fund Debentures due March 31, 1991 (the "Debentures") of Mitsubishi Electric Corporation (Mitsubishi Denki Kabushiki Kaisha), a Japanese corporation (the "Company")...

Cawdaw Industrial Holdings Limited In his Annual Statement the Chairman, Mr. G. H. Lowe reported: \* Group sales increased, modest improvement in trading profit offset by interest charges. \* Difficult trading conditions experienced in textile dyeing and finishing but investment in weaving justified. \* Increased profits from kitchen furniture manufacture, also from timber importing and merchandising with continuing expansion.

RESULTS AND ACCOUNTS IN BRIEF CHERRONESH (FMS) ESTIMATES—Turnover for 1978, £2.23m (£2.25m). Rubber profit £126,922 (£138,302); Coconut profit £161,430 (£148,878). Net dividend £123,713 (£172,300).

Summary of Results 1978/79 1977/78 Turnover 12,911,037 11,796,827 Profit before taxation 400,072 435,563 Profit after taxation 301,629 273,739 For each ordinary stock unit Earnings of 6.5p 5.9p Dividend of 2.5679p 2.4579p per unit per unit



Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Growing interest in currency futures

BY DAVID LASCELLES IN NEW YORK

THE FOREIGN exchange market was not the only place where sterling performed its recent gyrations...

do the same. On a heavy day, the IMM trades around \$100m in a particular currency...

the futures market is quite separate from it. As the table shows, sterling futures tracked the cash market quite closely during June and

is not a good guide to future expectations, because most of the trading up or down in anticipation of events to come—hedging—is outweighed by the huge

tween the futures and cash markets reflects the difference in interest rates between Britain's 12 per cent and the 10 1/2 per cent in the U.S.

settled to its usual discount below the cash market.

But the foreign exchange markets in New York are sceptical about the futures market's influence. Few banks keep a close track of them, and one major bank which prides itself on its foreign exchange operations confessed, when approached for comment that it was too ignorant of currency futures to say anything.

At another New York bank, Manufacturers Hanover, Mr. Stuart Bass denied Chicago's claim to influence the market.

It might just be possible on a quiet afternoon," he said, "but at such times, anything can move the market."

Some banks are even a little scornful of Chicago, describing it as "a numbers game," without the fundamentals of the foreign exchange market.

However, it would be wrong to say that there are no links at all between the futures and cash markets. Dozens of traders, speculators and investment institutions of all kinds keep track of both markets, and have no reservations about playing one off against the other if there is a profit to be made.

HOW STERLING FUTURES TRACKED THE CASH MARKET

Table with columns: Date, Cash market, Value of futures contracts for September, December, March. Rows for June 4, 25, July 2, 9, 16, 23, 30, August 1.

July, but remained below it throughout.

To some extent, this was because the futures market shared the view that sterling was grossly overvalued, and could not sustain a level of \$2.25 or more for long.

However, the futures market

amount of speculative trading by arbitrageurs hopping from one contract or market to the other. These people are interested only in the spread between contracts, not the longer term prospects, and their activities tend to pull the foreign exchange and futures markets together.

Equally important with regard to sterling, the gap be-

The evidence certainly supports this claim. On July 30 and 31, when sterling declined most sharply, there were respectively 4,433 and 5,446 trades in sterling, compared with 2,500 on an average day.

ASEA lifts six-month earnings

BY WILLIAM DALLFOURCE, NORDIC EDITOR, IN STOCKHOLM

ASEA, the Swedish nuclear power and heavy electrical engineering group, reports a 51 per cent improvement in earnings during the first half of 1979.

Pre-tax profit climbed from SKr 134m to SKr 203m (\$47.7m) while sales grew by 18 per cent to SKr 4,969m (\$1,170m).

The group has succeeded in maintaining the profit recovery which started in the second half of last year, when earnings came to SKr 196m, but the Board is still cautious about the outcome for 1979 as a whole.

Forecasts better utilisation of capacity in many parts of the group during the second half but also fears that the profit improvement may be curbed by a faster growth than previously anticipated in production costs.

Costs climbed more swiftly during the first half than during the first month of 1979, but this was more than offset by higher capacity utilisation and rising prices for semi-manufactures.

Work on a large power equipment order for Israel was also delayed less than expected by the change of regime in that country.

The most heartening development for ASEA, however, continues to be the order intake which surged ahead again in the first half. Incoming orders amount to just over SKr 700m compared with SKr 475m during the corresponding period of last year, with almost all the increase originating in export markets.

New BAT plan for Dutch plant closure

BY CHARLES BATCHELOR IN AMSTERDAM

BAT INDUSTRIES has put forward a new plan to close down its cigarette factory in Amsterdam after a Dutch court ruled in June that it must reconsider its original proposals.

At present, half of the cigarette requirements in the Netherlands, from the factory, but it hopes to switch production to another plant in Brussels.

The business chamber of the Amsterdam District Court said in June that BAT had not carried out sufficient negotiations with the works council and the unions before announcing its intention of moving.

The company sees no reason to change its mind about shutting down the factory, and now intends to restart talks with the works council and the unions.

Although the Amsterdam factory is profitable, BAT wants to concentrate its operations in Brussels partly because it has excess capacity and partly because of the high level of electricity in the Netherlands.

Klumer, the Dutch publishing group, plans to acquire the privately-owned Luitingh publishing house of Laren. The talks currently being held are expected to be successful.

Klumer said Klumer will also acquire three publishers affiliated to Luitingh—Skaarbe, Worpman, and Blok Promotions. The company declined to give financial details of the transaction.

Record half-year for Boeing

BY OUR FINANCIAL STAFF

BOEING, the leading U.S. manufacturer of commercial jets which also produces military aircraft and missiles, has boosted second-quarter earnings by 55 per cent, from \$7.5m or \$1.21 a share, to \$120.1m or \$1.87 a share on sales 37.7 per cent up from \$1.38bn to \$1.90bn.

Boeing expects second half sales to be substantially higher than those for the first six months and now forecasts total 1979 revenues of "something above" \$8bn compared with \$5.46bn last year.

Cash and short-term investments totalled \$2.35bn at the end of the first half. Gross inventories were \$2.54bn and net inventories \$692m.

World Bank pays 7% for DM 400m placing

BY FRANCIS GHILES

DEUTSCHE BANK is arranging a DM 400m private placement for the World Bank, reportedly paying a coupon of 7 per cent and the issue includes a bullet maturity of six years.

News that this bond was being floated pushed prices of foreign D-Mark bonds down by between 1/2 and 1 point yesterday morning, but they staged a recovery later.

to see average yields on domestic government paper fall below their current levels: the average yield on outstanding domestic bonds has dropped by 30 basis points over the past few weeks. The fall in yields both on domestic and foreign D-Mark bonds is at odds with the Bundesbank's policy of monetary tightening.

Gerber to quit Venezuela

BY OUR FINANCIAL STAFF

THE BABY FOOD manufacturer, Gerber Products, has reached an agreement to sell his stake in its Venezuelan subsidiary to an unidentified Venezuelan group.

Gerber declined to put a price on the deal, but said that the sale of the subsidiary, Ca. Venezolana de Alimentos, would be for about book value.

AT & T in new move to block payment to Iran

BY JOHN WYLES IN NEW YORK

AMERICAN Telephone and Telegraph (AT and T) yesterday took its bid to block a \$3m payment to Iran to a U.S. court of appeals, following a lower court judgment which upheld the Iranian Government's claim on a standby letter of credit.

Iran made a \$38.8m down-payment on the contract to American Bell, which in turn arranged the Manufacturers Hanover letter of credit for that amount to guarantee its performance.

AT and T's subsidiary, American Bell International, first filed suit to prevent manufacturers Hanover Trust Company from making any payment in February. However, Bank Transahd did not make any claim until last Wednesday, and American Bell immediately sought a temporary injunction to prevent Manufacturers Hanover Trust Company from transferring the money.

Performance bonding, as this is called, protects the owner of a project against the failure of a contractor to meet his obligations. In this particular case, the Iranian Government was given the right to claim the money and Manufacturers Hanover the duty to pay it without reference to American Bell.

The company says that it agreed to the guarantee because of its confidence in the integrity and stability of the Shah's Government.

Iran has deducted \$8.6m for "services rendered," and denuded the balance. American Bell argues that there should be a fully agreed accounting with the Iranian Government before any payment is made, because it is entitled to compensation for breach of contract and other payments for services which the Iranians have not paid for.

American banks have been issuing growing number of performance bonds abroad in recent years.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Large table with columns: U.S. DOLLAR STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLE BONDS, SWISS FRANK, AMERICAN QUARTERLIES, YEN STRAIGHTS. Includes various bond listings with prices and yields.

Privredna Banka Sarajevo - Udružena Banka - US\$ 30,000,000 Medium Term Loan. Managed by Nordic Bank Limited, Scandinavian Bank Limited, Arab-Malaysian Development Bank.

Bouvier Properties, Inc. a corporation controlled by the Pension Plans for Employees of The National Coal Board. Continental Illinois Properties. Loeb Rhoades, Hornblower Realty Company.

Handwritten Arabic text at the bottom of the page.



# West LB lower in first half

BY JONATHAN CARR IN BONN

ONE OF West Germany's leading banks, Westdeutsche Landesbank (West LB), reports operating profits down in the first half year—the result of reduced margins which could not be wholly counteracted by its growth in business volume. Profits from interest, business and commissions, together totalled DM545m (\$207m) in the six months to June 30, a fall of 5.5 per cent on the result of the first half of 1978. With personnel and other expenses rising by more than nine per cent to DM 340m, the bank's operating profit totalled DM 205m, nearly 28 per cent lower on the figure for last year.

The balance sheet total rose to DM 86.9bn, an increase of just 1 per cent on the figure at the end of December and of 13 per cent against that of June 1978.

Despite the economic upswing in West Germany, the big industrial companies who form a key section of West LB's customers

did not markedly increase their demand for credit for investment. They appeared to be able to finance their needs either from their own resources or through cheaper credit from abroad.

Zahradfabrik Friedrichshafen, the West German ball-bearing and machinery maker, expects turnover of the parent company to top DM 2bn (\$1.09bn) in 1979 up from DM 1.82bn in 1978. Group turnover should improve to DM 2.2bn from DM 1.94bn.

Back orders to the parent company totalled DM 1.3bn at the end of June and were up 8.7 per cent from the year ago period. For the group, new orders were up 7.8 per cent at mid-year to DM 1.38bn. Group order book growth was slower than the parent's because back orders for ZF's subsidiary in Brazil were 5.6 per cent lower. The company expects to invest DM 800m in the three years 1977 to 1979.

# Moratorium on HK bank licence issues

By Philip Bowring in Hong Kong

THE HONG KONG Government has put a temporary suspension on the granting of new banking licences to foreign banks. The measure will last for at least six months, during which time the Government will review the criteria to be applied to future applications. Applications which have already been lodged with the government will not be affected by the new restriction.

The moratorium follows the rash of new bank licences, now totalling 41, which have been issued since the Government early last year announced the ending of a virtual ban on new licences, which had existed for 15 years. At that time the Government said that licences would be issued to banks which met three basic requirements:

- Assets of at least US\$3bn;
- Effective supervision in their home countries;
- A measure of reciprocity for Hong Kong banks in their home countries.

# Ampol revealed as mystery buyer of Ansett shares

BY JAMES FORTH IN SYDNEY

THE APPARENT struggle for control of the airline and television group, Ansett Transport continued on Australian stock exchanges, yesterday and Ampol Petroleum was revealed as Monday's unnamed buyer.

After a day of heavy trading on the Melbourne, Perth, and Sydney exchanges, in which almost 2.8m Ansett shares, or 3.5 per cent of the capital, changed hands, the Western Australian company, Bell Group announced that it had doubled its stake in Ansett.

Bell increased its holding from 3.9m shares to 7.7m, or 10 per cent of the Ansett capital. Bell group indicated that it was interested in lifting the Ansett interest to 20 per cent following the sudden entry of another buyer on Monday. The managing director of Ampol, Mr. A. E. Harris admitted that his com-

pany had purchased 2 per cent of Ansett's capital and that the company had also bought off-market. He declined to reveal the size of Ampol's holding in Ansett but said that the company was interested in acquiring further shares.


However, Mr. Harris said that Ampol was not engaged in a race to obtain Ansett shares, and that additional purchases would be made "prudently and intelligently." Bell Group picked up virtually all the shares traded yesterday and was also buying off-market. The price of Ansett shares, which stood at A\$1.40 last Friday, before the latest flurry began, moved up a further 4 cents to A\$1.62 at the close, valuing Ansett at more than A\$120m.

Ampol returned as a buyer after the close of trading and purchased additional Ansett shares at A\$1.66. The other

major shareholder, the international transport group, Thomas Nationwide Transport has not bought any Ansett shares for the past month. TNT made a takeover bid for Ansett in 1972, but intervention by the Victorian State Government foiled the attempt.

TNT, which ended up with 23 per cent of the capital, subsequently entered into an agreement with Ansett limiting its voting rights to 10 per cent of the capital. In recent months, it reduced its stake to 13.9 per cent—but changed its mind and made relatively small purchases to lift its stake to almost 15 per cent.

The disclosure that Bell Group holds 10 per cent of Ansett may result in renewed buying by TNT, as the voting restriction ceases to apply once another party acquires 10 per cent.




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# Static result from Dutch copier group

BY OUR FINANCIAL STAFF

STATIC performance by Ocean Group during the first six months of this year reverses the recent trend of profits at the Dutch copier group.

After tax, earnings rose by just 4 per cent to Fl 19.3m (US\$9.65m) in the half year. During the five years to 1978 net profits at Oce almost doubled at Fl 41.5m.

Sales for the six months were barely changed at Fl 625.6m against Fl 620.1m, whereas in previous years Oce's turnover, fuelled by acquisitions, has been rising very sharply. In 1977 the group purchased the UK company Ozalid.

Cash flow for the latest reporting period was Fl 56.8m or Fl 31.3 a share, while net profits

at the per share level emerge at Fl 10.7 compared to Fl 10.4. Charles Batheletier writes from Amsterdam: Banco Exterior de Espana, the third Spanish bank to start operations in the Netherlands, has opened an office in Rotterdam. The bank, which has its headquarters in Madrid, will trade as Banco Espanol en Holanda.

Its main activities will be the encouragement of trade between the two countries and catering for the needs of large numbers of Spanish workers in the Netherlands. It has assets of Fl 10m in the Netherlands.

Earlier this year Banca de Vizcaya opened a branch in Amsterdam, joining Banco de Jerez, which has been established for some time.

# Trust Bank plan to raise R15m

BY JIM JONES IN JOHANNESBURG

TRUST BANK, South Africa's fifth largest bank, is planning to raise R15m (\$17.6m) through the issue of ordinary and 11.5 per cent cumulative convertible preference shares. The bank is increasing its capital base, it says, to comply with statutory capital requirements for expanded business. Since 1977 when the bank was bailed out by the insurance group, Sanlam, all profits have been ploughed back to re-build the capital base.

Trust Bank's new management has effected a rationalisation of the group's heavy property exposure and concentrated in-

creasingly on conventional banking activities. Shareholders have been warned that no ordinary dividends are likely until the mid-80s.

At its last published balance sheet date (June 30, 1978), Trust Bank had a share capital of 47,05m ordinary shares of 50 cents each, 25m 11.5 per cent cumulative convertible preference shares of R1, and disclosed reserves of R17.1m. Results for the year to June 30, 1979, have yet to be published.

But in the six months to December 31, disclosed taxed

profit of R1.5m was largely absorbed by interest payments on the preference shares. With the bank operating only on partial earnings disclosure, there is no way of telling what real profit retentions have been in the past 12 months.

Sanlam controls Trust Bank through its 50.3 per cent-owned subsidiary, Bankorp, which in turn owns 60 per cent of Trust's equity. Bankorp is itself planning an issue of R16m cumulative convertible preference shares. This is earmarked for following its rights under the Trust Bank issue.

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# New bid for Kadoorie companies

BY OUR HONG KONG CORRESPONDENT

HIGHLANDS and Lowlands Berhad, the large Malaysian plantation group is making a second attempt to acquire three interlinked Hong Kong quoted Malaysian estate companies, Rubber Trust, Amalgamated Rubber and Shanghai Kelantan Estates. Highlands first made an approach offer last November but was rebuffed by the boards of the three companies, which are part of the Hong Kong-based Kadoorie group.

The offer is HK\$7.75 in cash for each share in Rubber Trust, against HK\$4.45 previously; HK\$5.10 for Amalgamated against HK\$3.10; and HK\$11.90 for Shanghai Kelantan, against HK\$7.40. In rejecting the original offer, the boards had said

that according to an up to date valuation by the valuers, Khong and Jaafar, net asset values were respectively HK\$8.23, HK\$5.22 and HK\$10.89.

The latest offer is above the purely agricultural use valuation given by Khong and Jaafar and it seems likely that the board this time will have to recommend acceptance. However it is possible it will try to squeeze a higher price out, given the fall in the Hong Kong dollar against the Malaysian dollar, and the rise in the rubber price to around 2.90 ringgit a kilogramme, from 2.25 ringgit last December.

Highlands, on the other hand, will argue that its offer is a generous one, valuing the

Kadoorie group estates, which total 32,800 acres, at 4,357 ringgits (US\$2,000) per acre. They are mostly of mature rubber.

The bid prices values the Kadoorie companies after excluding cross shareholdings, at HK\$335m (US\$65m). After-tax profits in 1978—were HK\$10.6m, after deducting inter-company dividends. Altogether, the Highlands offer price values the three at 31.6 times last year's earnings. Highlands currently has 10 per cent of the Kadoorie companies, acquired in the market at the time of its last approach. Kadoorie identifiable holdings are not less than 15 per cent and the Kadoorie group has board control.

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Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the six months from 9th August 1979 to 11th February 1980 the Notes will carry an interest rate of 11 7/8% per annum.

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European Banking Company Limited  
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8th August 1979.

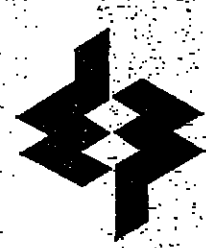
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45 Cornhill, London EC3V 3PB. Tel. 01-623 6314  
Index Guide as at August 2, 1979  
Capital Fixed Interest Portfolio ..... 117.16  
Income Fixed Interest Portfolio ..... 105.00

# Go-ahead for BNP deal

SAN JOSE—Bancwest Corporation has formally ratified the agreement for the California Bank of Commerce and the United Bank of California to merge with the French Bank of California, and deposits of \$501m and 37 branches in three San Francisco Bay-area counties. The merger is subject to

various conditions and to approval by Bancwest shareholders and the appropriate regulatory authorities, including the Federal Deposit Insurance Corporation and the California State Superintendent of Banks. The deal involves about \$62.4m. At June 30, Bank of the West had total assets of \$570m.

*This advertisement appears as a matter of record only.*



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June, 1979

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Recommended retail prices correct at the time of going to press: From £8,117 for the SL Carburettor and from £9,248 for the TI fuel injection. Standard items include tinted glass, electrically operated sun roof and windows, power steering and centralised door locking. The TI price includes a 4-speed manual gearbox, lacquered metallic finish and electronic ignition. Automatic transmission, leather upholstery, air conditioning and headlamp wash/wipers are available as options. Prices include VAT, car tax and seat belts but excludes delivery charges and number plates. [Source of acceleration figures: 0-60 mph: 04 TI Car Magazine; BMW 733i Autocar; 40-70 mph: manufacturer's figure; 0-4 TI top speed - What Car?]



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وكذا من الشحن



# Pound falls

STERLING CONTINUED to fall in currency markets yesterday in predominantly rising markets. This came despite better than expected UK banking figures, a factor that was widely welcomed by the market but one which failed to offset the recent rash of profit-taking and nervousness surrounding sterling. Against the dollar, sterling fell to \$2.2475 and all other major currencies intervened by the Bank of England helped push up the rate to \$2.2425 by noon.

In the afternoon trading became very patchy and erratic with sterling moving 50 points in a time both ways. Towards the close the pound fell to a low of \$2.2000 in view of the intervention but jumped a full cent on buying interest from New York to finish at \$2.2170. The fall of 2.12 from Monday.

The pound was also weak against European currencies, ending at DM 4.0630 from DM 4.0575 against the Deutsche Mark. On the French franc, the Bank of England's trade-weighted index fell to 70.5, its lowest level since July 10, and fell point down from Monday's level of 71.5.

The dollar traded actively for most of the day and finished at around its best level against other currencies. Against the mark it closed at DM 4.0315, up from DM 3.9900 on Monday and at DM 4.0385 from DM 3.9670. In terms of the yen it remained at ¥216.40, since the Bank of England's trade-weighted index rose from 84.5 to 84.6.

Within the European Monetary

### THE POUND SPOT AND FORWARD

Aug. 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2090-2.2475	2.2170-2.2190	0.73-0.63c pm	3.68	1.78-1.68 pm	3.12
U.S. dollar	2.0500-2.0600	2.0500-2.0600	1.48-1.38c pm	1.60	3.00-3.20 pm	2.77
Netherlands	4.64-4.51	4.64-4.64	1.21-1.11c pm	2.23	1.85-1.75 pm	2.47
Belgium	64.75-65.75	64.80-64.90	16-4c pm	2.04	45-35 pm	2.77
Denmark	11.85-11.75	11.70-11.71	10c pm-10c dis	par	21-24 dis	-1.28
Ireland	1.0755-1.0885	1.0780-1.0790	30-40c dis	-3.89	85-95 dis	-3.34
W. Ger.	4.057-4.111	4.064-0.07	34-29c pm	8.49	84-74 pm	7.75
Portugal	108.70-110.50	108.90-109.10	40-100c dis	-7.71	110-210 dis	-9.97
Spain	145.40-148.30	146.50-146.80	135-25c dis	-17.20	565-665dis	-18.79
Italy	1.817-1.831	1.817-1.818	21-11c pm	0.93	2-4 dis	-0.66
Norway	11.15-11.31	11.15-11.16	51-30c pm	4.84	131-111 pm	4.48
Japan	8.411-8.547	8.411-8.421	21-15c pm	2.87	81-91 pm	2.58
France	34.8-34.86	34.8-34.85	31-21c pm	1.20	61-50 pm	0.93
Austria	477-480	478-480	3-2.50c pm	9.19	102-92 pm	8.40
Switzerland	25.80-26.05	25.83-26.05	25-19c pm	3.73	58-68 pm	3.40
Sweden	3.673-3.691	3.673-3.691	41-24c pm	13.04	121-111 pm	12.77

Belgian rate is for convertible francs. Financial franc 67.40-67.50c pm.  
Six month forward dollar 3.42-3.32c pm; 12-month 5.60-5.50c pm.

### THE DOLLAR SPOT AND FORWARD

Aug. 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2090-2.2475	2.2170-2.2190	0.73-0.63c pm	3.68	1.78-1.68 pm	3.12
U.S. dollar	2.0500-2.0600	2.0500-2.0600	1.48-1.38c pm	1.60	3.00-3.20 pm	2.77
Canada	1.1721-1.1729	1.1728-1.1729	0.08-0.08c dis	-0.71	0.5-0.18dis	-0.56
Netherlands	2.0500-2.0600	2.0500-2.0600	0.45-0.35c pm	0.28	1.15-1.05 pm	2.19
Belgium	28.22-28.22	28.22-28.22	11-5c	-0.37	31-21 dis	-0.90
Denmark	5.2760-5.2800	5.2780-5.2775	1.25-1.75c dis	-3.41	5.50-6.00dis	-4.25
W. Ger.	1.8305-1.8317	1.8307-1.8317	0.80-0.70c pm	9.41	27-17 pm	8.84
Portugal	68.05-68.31	68.21-68.31	125-175c dis	-27.24	325-385dis	-21.78
Spain	818.30-819.30	818.40-819.30	2-3 lire dis	-3.86	87-10 dis	-4.52
Italy	4.2450-4.2470	4.2450-4.2470	0.10-0.10c dis	0.30	0.40-0.55dis	-0.44
Norway	2120-2130	2125-2130	1.35-1.35c pm	6.20	4.05-4.01 pm	5.73
Japan	216.20-216.50	216.30-216.50	1.10-0.95c pm	5.68	2.95-2.80 pm	5.38
Austria	13.372-13.383	13.372-13.377	3.25-4.75c pm	4.48	14.5-13.0 pm	4.11
Switzerland	1.8670-1.8688	1.8677-1.8687	1.35-1.33c pm	1.80	0.6-0.4 pm	1.72
Sweden	1.870-1.888	1.870-1.888	1.35-1.33c pm	1.80	0.6-0.4 pm	1.72

UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

### CURRENCY MOVEMENTS

Aug. 7	Bank of England Index	Morgan Guaranty Index	% change
Sterling	70.5	70.5	-24.6
U.S. dollar	84.6	84.6	-8.6
Canadian dollar	80.5	80.5	-17.4
Austrian schilling	148.1	148.1	+19.7
Belgian franc	197.0	197.0	+1.7
Danish kroner	117.7	117.7	+2.4
Deutsche mark	161.7	161.7	+42.8
French franc	197.0	197.0	+1.0
Guilder	123.9	123.9	+18.9
French franc	99.2	99.2	-7.1
Lira	65.1	65.1	+69.8
Yen	132.1	132.1	-20.6

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England index=100).

### OTHER MARKETS

August 7	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Argentina Peso	5057.5077	1380.1390	Australia	291.50 1/2																											
Australia Dollar	1.9580-1.9630	0.8830-0.8845	Belgium	671.66 1/2																											
Brazil Cruzeiro	50.00-50.00	50.00-50.00	Denmark	7.70-11.65																											
Finland Markka	8.53-8.54	3.9415-3.8435	France	8.10																											
Greek Drachma	82.040-84.820	37.00-37.95	Germany	4.00-4.10																											
Hong Kong Dollar	1.11-1.11	1.11-1.11	Italy	1.800-1.850																											
Iran Rial	158.50-164.11	10.74	Japan	1.00-1.50																											
Kuwait Dinar (K.D.)	0.609-0.610	0.2755-0.2756	Netherlands	4.40-4.50																											
Luxembourg Franc	64.00-64.00	29.83-29.83	Norway	11.15-11.30																											
Malaysia Dollar	4.79-4.80	2.1500-2.1500	Portugal	1.05-1.05																											
New Zealand Dollar	2.1850-2.1920	0.9855-0.9880	Spain	145-148																											
Saudi Arab. Riyal	7.44-7.54	3.5807-3.5810	Switzerland	3.60-3.70																											
Singapore Dollar	4.20-4.20	2.1544-2.1544	Sweden	2.811-2.911																											
Sth. African Rand	1.8688-1.8726	0.8400-0.8440	Yugoslavia	33.3-44.5																											

Rate given for Argentina is free rate.

### EMS EUROPEAN CURRENCY UNIT RATES

ECU central rate August 7	Currency against ECU August 7	% change	ECU central rate August 7	% change	Divergence limit %
Belgian franc	36.4652	40.4580	+2.54	+7.25	+7.25
French franc	7.4936	7.22818	+3.00	+1.71	+7.25
Italian Lira	2.36363	2.33168	+0.83	-0.65	+7.25
Dutch Guilder	2.72077	2.7220	+0.06	+0.06	+7.25
West German Mark	1.83633	1.83633	0.00	0.00	+7.25
Portugal Escudo	200.482	193.482	+3.63	+3.63	+7.25
Spain Peseta	166.637	166.637	0.00	0.00	+7.25
Greece Drachma	340.750	340.750	0.00	0.00	+7.25

Changes are in ECU, therefore positive change denotes a weak currency. Adjustments calculated by Financial Times.

### EXCHANGE CROSS RATES

August 7	Pound Sterling	U.S. Dollar	Deutsche Mark	Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.0000	2.2170	4.0630	216.40	9.425	3.680	4.455	1818	2.801	64.85
U.S. Dollar	0.451	1.0000	2.3317	108.20	4.248	1.659	2.007	819.4	1.173	28.24
Deutsche Mark	0.246	0.429	1.0000	193.6	2.518	0.906	1.095	447.1	0.640	15.95
Yen	0.0046	0.0046	0.0052	1.0000	19.63	7.867	9.276	3786	5.419	135.1
French Franc	0.106	0.228	0.110	0.106	1.0000	4.725	5.280	2.760	68.82	
Swiss Franc	0.270	0.603	0.270	0.270	0.266	1.0000	495.9	0.707	17.62	
Dutch Guilder	0.227	0.488	0.227	0.227	0.225	0.205	1.0000	1.431	35.68	
Italian Lira	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	1.0000	14.56	
Canada Dollar	0.375	1.0000	0.375	0.375	0.375	0.375	0.375	1.0000	1.0000	
Belgian Franc	0.0156	0.0156	0.0156	0.0156	0.0156	0.0156	0.0156	0.0156	0.0156	

### EURO CURRENCY INTEREST RATES

Aug. 7	Sterling	U.S. Dollar	Deutsche Mark	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian \$	Japanese Yen
Short term	13.0-13.5	10.0-10.5	10.0-10.5	8.0-8.5	11.0-11.5	10.0-10.5	10.0-10.5	10.0-10.5	10.0-10.5	4.4
7 days notice	14.0-14.5	10.0-10.5	10.0-10.5	8.0-8.5	11.0-11.5	10.0-10.5	10.0-10.5	10.0-10.5	10.0-10.5	4.4
1 month	14.0-14.5	10.0-10.5	10.0-10.5	8.0-8.5	11.0-11.5	10.0-10.5	10.0-10.5	10.0-10.5	10.0-10.5	4.4
3 months	14.0-14.5	10.0-10.5	10.0-10.5	8.0-8.5	11.0-11.5	10.0-10.5	10.0-10.5	10.0-10.5	10.0-10.5	4.4
6 months	14.0-14.5	10.0-10.5	10.0-10.5	8.0-8.5	11.0-11.5	10.0-10.5	10.0-10.5	10.0-10.5	10.0-10.5	4.4
1 year	14.0-14.5	10.0-10.5	10.0-10.5	8.0-8.5	11.0-11.5	10.0-10.5	10.0-10.5	10.0-10.5	10.0-10.5	4.4

Long term European rates: two years 10.0-10.5 per cent; three years 10.0-10.5 per cent; four years 10.0-10.5 per cent; five years 10.0-10.5 per cent; nominal closing rate. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; forward call for guilders and Swiss francs; Asian rates are closing rates in Singapore.

## INTERNATIONAL MONEY MARKET

### French interest rates steady

Interest rates in Paris showed very little change yesterday, continuing the much steadier trend seen recently. Inflation fears and problems within the EMS have prompted a general rise in most European rates over the past few months, but this has been highlighted since July 28, when French call money touched 0 per cent for the first time since March 1978.

However, last Wednesday saw the Bank of France buy 1.4 billion of five category paper at an unchanged rate of 10 1/2 per cent and this was interpreted by some as an indication of the authorities' desire not to see call money rise above 10 1/2 per cent. Yesterday call money was quoted at 10 1/2 per cent, having risen between 10 1/2 per cent and 0 1/2 per cent since the beginning of August. Period rates have also remained pretty static with one-month money unchanged at 10 1/2-10 1/4 per cent, three-month at 10 1/2-10 1/4 per cent, six-month at 10 1/2-10 1/4 per cent, and 12-month at 10 1/2-10 1/4 per cent.

FRANKFURT — Interbank money rates showed very little change from Monday with call money at 8 1/2 per cent and one-month money at 6.40-6.50 per cent. The three-month rate was quoted at 6.90-7.00 per cent, six-month at 7.30-7.40 per cent, and 12-month 7.35-7.45 per cent.

The Bundesbank yesterday announced its intention to hold a meeting of the Central Bank Council on August 9, its first after the summer recess. There was no indication however, as to whether the council would hold a press conference afterwards. The latter usually signifies some change in credit policies.

BRUSSELS — Deposit rates for the Belgian franc (commercial) remained at 11-12 1/2 per cent for

## GOLD

### Slight rise

Gold improved slightly in the London bullion market yesterday to close at \$284.2841, a rise of \$1 1/2 an ounce. The metal opened at \$283.2841 and eased on selling to \$283.1283. Trading remained rather subdued until around lunchtime when buying interest pushed up the price to \$284.2841, before a little profit-taking brought it back to its closing level.

In Paris the 12 1/2-kilo bar was fixed at FFR41,050 per kilo (\$280.35 per ounce) compared with FFR41,100 (\$280.57) in the

## UK MONEY MARKET

### Adequate credit supply

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1978).

Discount houses balanced their books without any form of assistance by the authorities yesterday, the first time the bank of England has obtained any form of help since June 20. Conditions were generally quiet and houses were paying up to 13 1/2 per cent for secured call loans at the start with closing balances taken as low as 10 per cent in places.

The market was faced with a small net take-up of Treasury bills to finance and a small rise in the note circulation. On the other hand, banks brought forward balances a little way above target.

In the interbank market, overnight loans opened at 12 1/2-13 per cent and eased to 12-12 1/2 per cent. Towards lunchtime rates eased to 10 1/2-11 per cent, but rose to 11 1/2-12 per cent in the afternoon to touch 11 1/2 per cent. Money then cheapened to 8-9 per cent with closing balances taken between 13 per cent and 14 per cent.

Rates in the table below are nominal in all cases.

### LONDON MONEY RATES

Aug. 7	Sterling Certificate of Deposit	Interbank	Local Authority negotiable deposits	Finance House Deposits	Commercial Deposits	Discount Deposits	Treasury Bills	Eligible Bills	Fine Bills
Overnight	12-13 1/2	12-13 1/2	12-13 1/2	12-13 1/2	12-13 1/2	12-13 1/2	12-13 1/2	12-13 1/2	12-13 1/2
7 days notice	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2
1 month	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2
3 months	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2
6 months	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2
1 year	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2	14-14 1/2

Local authority and finance houses seven days notice, others seven days fixed. Long-term local authority mortgage rates normally three years 12 per cent; four years 15 per cent; five years 15 per cent; six years 15 per cent; seven years 15 per cent; eight years 15 per cent; nine years 15 per cent; ten years 15 per cent. Treasury bills: 12-month 12 1/2-13 1/2 per cent; 18-month 12 1/2-13 1/2 per cent; 30-month 12 1/2-13 1/2 per cent; 42-month 12 1/2-13 1/2 per cent; 54-month 12 1/2-13 1/2 per cent; 66-month 12 1/2-13 1/2 per cent; 78-month 12 1/2-13 1/2 per cent; 90-month 12 1/2-13 1/2 per cent. Finance House Deposits: (published by the Finance Houses Association) 14 per cent from August 1, 1978. Clearing Bank Deposit Rates for small sums at seven days notice 11 1/2 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bill Average tender rate of discount 12.582 per cent.

### MONEY RATES

Aug. 7	Aug. 6
Gold Bullion (fine ounce)	
Close	\$284.2841
Opening	\$283.2841
Morning	\$283.50
Fixing	\$283.70
Afternoon	\$283.10
Fixing	



WORLD STOCK MARKETS

Low advances 9.8 in heavy dealings

INVESTMENT DOLLAR PREMIUM... Effective \$2.180-7 1/2% (7 1/2%) WITH BLUE CHIP and Gannett issues leading the way.

cash appeared willing to commit more of their funds to equities. Volume leader IBM gained 1/2 to \$80 1/2.

In Advance Energy, which has developed gasoline-saving technology. Dynalotron picked up 1/2 to \$104 1/2.

The dollar was also considered a factor yesterday discouraging fresh foreign investor buying.

plan of last year which included tax rebates for owners of FFR 5,000 worth of French equity.

rest, but stock prices subsequently reacted to close mainly lower on the day.

moved on strong volume decisively through the 800 mark, which has proved a resistance point in recent months.

Digital Equipment reported improved fiscal fourth-quarter profits and put on 1 1/2 to \$57 1/2.

Occidental Petroleum, which has agreed to sell a refinery in Antwerp to Coastal States Gas for more than \$25m.

Shares generally continued to advance in fairly active dealings. The Bourse Industriels index rising another 1.2 to a new high for the year of 89.5.

After an early market improvement, profit-taking set in to leave stock prices with a fair majority of losses on the day.

Minerals were inclined to gain further ground, with MIM advancing 7 cents to AS3.42.

Analysts said the recent stability of the dollar and hopes that the recession will ease.

Value Index moved up 0.55 to 199.74, a 1 1/2 point on volume of 2.79m shares (1.90m).

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NEW YORK

Table of stock prices for New York market, including columns for Stock, Aug 6, Aug 7, and Aug 8.

Stock

Table of stock prices for various companies, including columns for Stock, Aug 6, Aug 7, and Aug 8.

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Indices

Table of stock indices for New York, Dow Jones, and Standard and Poors, with columns for date and index value.

Table of stock indices for Montreal, Johannesburg, and Toronto, with columns for date and index value.

Table of stock indices for London, with columns for date and index value.

Table of stock indices for Hong Kong, with columns for date and index value.

Table of stock indices for Tokyo, with columns for date and index value.

Table of stock indices for Osaka, with columns for date and index value.

Table of stock indices for Singapore, with columns for date and index value.

Table of stock indices for various international markets, including columns for date and index value.

EUROPEAN OPTIONS EXCHANGE

Table of European options exchange data, including columns for Series, Vol., Oct., Jan., Apr., and Stock.

BASE LENDING RATES

Table of base lending rates for various banks and locations, including columns for bank name and rate.

AMSTERDAM

Table of Amsterdam market data, including columns for Price, Div., and Yld.

COPENHAGEN

Table of Copenhagen market data, including columns for Price, Div., and Yld.

BRUSSELS/LUXEMBOURG

Table of Brussels/Luxembourg market data, including columns for Price, Div., and Yld.

VIENNA

Table of Vienna market data, including columns for Price, Div., and Yld.

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Companies and Markets

COMMODITIES AND AGRICULTURE

SPANISH AGRICULTURE

China has smaller rice crop

PEKING - Foreign agricultural experts here believe China's early rice crop this year was 7 per cent lower than in 1978. But they expect the shortfall to be made up by a 8 per cent increase in the overall wheat harvest.

Sterling fall boosts commodities in London

BY OUR COMMODITIES STAFF

STERLING'S continued fall against the dollar brought rising prices in most London commodity markets yesterday. And, in Brussels, it was predicted that EEC subsidies on UK food imports may have to be reintroduced to equalise trade in the Community.

For November, Spot rubber was marked up by 1.5p to 85.50p a kilo. Defying the general trend was world sugar, where the London daily price was cut by 11 to 498 a tonne and futures closed marginally lower after their recent upsurge.

Rise in UK meat consumption

CONSUMPTION OF meat in Britain rose to 57.9 kg per head last year, 1.7 kg up on 1977. Provisional figures published by the Ministry of Agriculture indicate an increasing preference for beef and veal with consumption of mutton and lamb falling.

Lower EEC grain crop forecast

LUXEMBOURG - Initial estimates indicate an EEC cereals harvest of around 105m to 110m tonnes this year, compared with last year's 116m. The EEC statistics office, Eurostat, said here.

British Home Grown Cereals Authority said reports from all areas on the winter barley harvest are very mixed and the yields given vary from little more than two tonnes per hectare to more than six.

BRITISH COMMODITY MARKETS

Table with columns for various commodities like Copper, Tin, Zinc, Lead, Silver, Gold, and their prices in London. Includes sub-sections for BASE METALS and COCAOA.

COCAOA

Table showing cocoa prices for various origins like West African, Latin American, and others. Includes columns for 'Business' and 'Done'.

INSURANCE BASE RATES

Table listing insurance base rates for various types of policies like Vanburgh, Property Growth, and others.

CORAL INDEX: Close 466.471

Table showing Coral Index prices for various metals like Silver, Gold, and others.

SILVER

Table showing silver prices for various grades and origins.

SUGAR

Table showing sugar prices for various origins like London Daily Price, Cane, and others.

WOOL FUTURES

Table showing wool futures prices for various grades and origins.

Farmland price surge continuing

By Our Commodities Staff

THE UPSURGE in UK agricultural land prices is continuing, according to figures released by the Ministry of Agriculture yesterday. This contrasts with preliminary figures published a month ago which appeared to indicate that the price rise had levelled off.

The higher March-May average, reflecting the inclusion of sales covering an extra 1,800 hectares, has raised the total to 9,100 ha. This suggests that the figures registered in the February/April quarter was isolated.

Desperate optimism in citrus industry

BY A CORRESPONDENT

AFTER THE experience of last year, which proved to be one of the most disastrous seasons ever, Spanish citrus producers are looking forward with desperate optimism to this year's European citrus season starting in October. They believe it is the soft citrus—the satsumas and other easy peeling varieties—which may hold the key to a more profitable future for them.

Citrus is fundamental to the Spanish economy. The growing is still very much in the hands of independent farms who range from vast estates to the half a hectare "back yard" and with virtually no strong co-operatives to organise them into effective marketing bodies.

Spain produced some 500,000 tonnes of soft citrus ten years ago—mainly mandarins, satsumas, Clementines and 2.5m tonnes of oranges and lemons—the bulk being Valencia and Navel oranges.

Conference on copper

By Our Commodities Staff

THE COMMODITIES Research Unit and the Copper Development Association are to host a conference on present and future markets for copper in London on October 16.

Indian tea exports rise

NEW DELHI—India's first quarter tea exports rose more than 50 per cent this fiscal year over the same period last year. An official said tea exports in the April to June period totalled 43.34m kilos against 27.78m in the same quarter of 1978 and a target of 33.05m kilos set for the 1979 quarter.

Philippines rice surplus

WASHINGTON — The Philippines has indicated that the country's exportable rice surplus this year has been committed. A U.S. Agriculture Department report said about 110,000 tonnes have been committed to Indonesia, Malaysia and Brazil.

AMERICAN MARKETS

Table showing American market prices for various commodities like Wheat, Corn, Soybeans, and others.

PRICE CHANGES

Table showing price changes for various commodities like Metals, Tin, Zinc, and others.

GRAINS

Table showing grain prices for various types like Wheat, Corn, and others.

WHEAT

Table showing wheat prices for various origins and grades.

EUROPEAN MARKETS

Table showing European market prices for various commodities like Wheat, Corn, and others.

COTTON

Table showing cotton prices for various origins and grades.

MEAT/VEGETABLES

Table showing meat and vegetable prices for various types.

INDICES

Table showing various indices like Dow Jones, Financial Times, and others.

REUTERS

Table showing Reuters prices for various commodities.

Advertisement for 'Your opportunity to sell in Korea' by Industrial and Trade Fairs International, mentioning an exhibition in Seoul, Korea in the 80s.

Advertisement for 'British animal feed output' and 'TOTAL PRODUCTION OF compounds, balancers and concentrates for livestock in Great Britain', mentioning a production of 775,400 tonnes in May from 655,500 tonnes in the same month last year.



Companies and Markets

LONDON STOCK EXCHANGE

Equities firm all day and end at best while Gilts rally to close with gains to 5/8 after July banking figures

Account Dealing Dates

Table with columns for Account Dealing Dates and Last Account Dealing Dates, listing various dates from July 16 to August 23.

Encouraged by the recent firm undertone in the absence of sellers, buyers took leading share in a shade better yesterday in another small trade. British Funds were hesitant for most of the day with modest losses being sustained on nervousness ahead of the mid-July banking figures which, in the event, were sufficiently well received to counter inflationary worries generated by Monday's wholesale price indices.

Equities continued to shrug off recent dire warnings about the pressures working against manufacturers, with yesterday's further sharp reaction in sterling helping sentiment, and also ignored rumours of a further likely rise in OPEC prices. Around four points up for much of the day, the FT 30-share index moved further ahead after the official close and ended seven points up at 466.6.

afternoon announcement of the banking figures which stimulated some useful buying, mainly at the short end of the market. Final quotations in this area extended to 5/8 and occasionally more. A shade easier at one stage, long-dated stocks moved ahead by around 1/4 and with firmness continuing into the late dealings with final quotations recording gains of 1/4, the recently issued 15 ppc top, Treasury 11 1/2 per cent, 2007/87, ended that amount higher at 14 1/4.

After opening higher at 2 1/4 per cent, the investment currency premium moved further ahead during the course of a fairly large two-way institutional business and closed 13 points up at 26 per cent. Yesterday's SE conversion factor was 0.9300 (0.9275).

Although interest in Traded options was marginally higher than on Monday, 314 trades against 222, trade was again quiet. For the third successive session, Grand Metropolitan met with a fair level of demand, recording 65 active issues included RTZ, 6S, and Shell, 58.

295p as did Midland, to 365p, with the improvements taking place following the latest banking figures. In the Purchases, Wagon Finance moved up 3 to 41p.

Breweries and kindred issues attracted a better business than of late, the leaders recording useful gains on a small buying. Allied added a couple of pence to 93p, while Whitebread, 141p, and Bass, 231p, rose 3 pence. Greenall Whistles also put on 3 to 161p for being the company announcement on dividend policy. Regional issues were marked higher. Marston Thompson, 102p, and Wolverhampton and Dudley, 253p, both closing a few pence to the good, while Belhaven, a particularly weak market on Monday following poor results, rallied 3 to 37p.

Elsewhere, Arthur Bell improved 4 to 165p, while Distillers gained 3 to 247p. Matheson's share came in for speculative support and, in an exceptionally restricted market, advanced 3 to 162p.

The Building sector displayed scattered improvements, out overall business in the sector remained subdued. Ready Mixed Concrete became a firm feature at 130p, up 4, on renewed investment demand. Among house-builders, Barratt Developments added 3 for a two-day gain of 6 to 117p and, awaiting today's interim results, Comben formed 3 to 37p. William Whittingham put on 4 to 78p in a limited market. Elsewhere, Carrow touched 5p in immediate response to the improved interim profits before settling at 80p for a gain of only a penny on balance following the chairman's cautious remarks about second-half trade.

Style continued firmly in Shoes, hardening 2 more to 205p on bid hopes.

Assisted by the fresh reaction in sterling, GEC, up 9 at 370p, provided the main feature in the Electrical leaders. Elsewhere, news of the 5 1/2 per cent issue caused uneasiness in Unitech which reacted to 170p before settling at 172p for a fall of 10, while Press comment on the annual results prompted a decline in Ward and Stanley. Transport advanced 9 to 105p, while BET attracted buyers at 115p, up 6. On the bid situation, Bestobell hardened 2 to 222p and Hokers BTR added 6 to 315p. Still reflecting the optimistic forecast regarding current-year trading, Anglo American Asphalt put on 1 1/2 more to 36p, while Wilson Walton picked up 2 further to 225p. The La Ruc closed 5 to the good at 513p. By way of contrast, Cowan de Groot fell 8 to 78p in reaction to the disappointing results and Sotheby's remained friendless at 320p, down 4.

Despite the increased interim profits and expansion plans, Hartzenrath fell 18p to 186p, the chairman has resigned following the recent breakdown of bid talks left Evode a couple of pence cheaper at 38p.

Motors remained quiet, although some selective buying was in progress. In Components, Jonas Woodhead closed 4 up at 103p, while gains of around 2 were seen in Arlington, 103p and Kwik-Fit, 55p. Rolls-Royce added 2 1/2 to 72 1/2p and Plaxton's 5 to 164p. Distributors tended higher, with Eastman's Hartwells putting on 3 to 60p.

Securities stood out with a jump of 29 in a thin market to 360p following the results and intended scrip issue, while Avon Rubber firmed 9 to 138p on revived speculative buying.

Reflecting Press comment, E. Fogart gained 8 to 312p, and Hanson Trust, currently bidding for Landisurs, rose 4 to 119p for a similar reason. Talk of a bonus share issue and a bolster by the firm coppered further 5 to 312p, while Transport advanced 9 to 105p, while BET attracted buyers at 115p, up 6. On the bid situation, Bestobell hardened 2 to 222p and Hokers BTR added 6 to 315p. Still reflecting the optimistic forecast regarding current-year trading, Anglo American Asphalt put on 1 1/2 more to 36p, while Wilson Walton picked up 2 further to 225p. The La Ruc closed 5 to the good at 513p. By way of contrast, Cowan de Groot fell 8 to 78p in reaction to the disappointing results and Sotheby's remained friendless at 320p, down 4.

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356p. Currency influences prompted a gain of a point to 231 in Royal Dutch. Outside the leaders, Ultramar, 296p, and Trientrol, 230p, both hardened a penny or so, but Siebens (UK) continued to move against the trend and gave up 6 further to 245p.

Among Financials, stock-jobbers Smith Brothers became a weak market at 23p, down 7, on the cut in the dividend and sharp fall in annual profits. On the other hand, fresh demand left Robert Kitchen Taylor up 5 more at 180p, while Hambro Trust held earlier gains of 3 at 50p following the preliminary figures.

Textiles ended narrowly firmer after a subdued business. Sirar, a takeover favourite, added 4 to 109p, while support was again forthcoming for Cawdow's 3 up for a two-day gain of 5 to 30p. Courtaulds added a penny to 85p.

Bets firmed afresh after the close of business, the ordinary finishing 3 up at 253p, with the deferred ending 6 better at 255p. Dollar premium influences lifted Plantations. Bradwall, 59p and Chersonese, 49p both added 3, while Highland and Lowlands put on 2 to 83p. The last mentioned has renewed its offer for the outstanding equity of three Malaysian rubber concerns.

FINANCIAL TIMES STOCK INDICES

Table showing Financial Times Stock Indices for various categories like Government Secs, Fixed Interest, Industrial, Gold Mines, etc., with columns for Aug 7, Aug 6, Aug 5, Aug 4, Aug 3, Aug 2, Aug 1, and July 31 1978.

HIGHS AND LOWS

Table showing Highs and Lows for various stock categories like Govt. Secs, Fixed Int., Ind. Ord., Gold Mines, etc., with columns for 1979 and Since Completed.

S.E. ACTIVITY

Table showing S.E. Activity for various categories like Govt. Secs, Fixed Int., Ind. Ord., Gold Mines, etc., with columns for Daily Gain/Edge, Speculative, and Total.

OPTIONS

St. George Assets, Bernard Sun, ICI, Wearwell, Spillers, S. Lebov Fobel, Plessey, George Harvey, Smith Bros, Butterfield, Harver, Trow and City, Status Discount, Banners, Belhaven, EML and Birmid Quilcast. A put was done in Consolidated Gold Fields, while double options to be completed include Louisa, St. George Assets, Style and Spillers.

ACTIVE STOCKS

Table showing Active Stocks with columns for Stock, Denomination, Closing price, Change on day, 1979 high, and 1979 low.

LONDON TRADED OPTIONS table showing various options like BP, GEC, Grand Met., etc., with columns for Option, Ex'ce price, Closing offer, Vol., and Equity close.

Gussies wanted

Still drawing strength from favourable comment, Gussies "A" stood out in Stores with a rise of 14 to 414p. Marks and Spencer gained 3 to 115p as did W. H. Smith "A" to 190p, while Debenhams put on a similar amount to 38p following the announcement that the company is selling its Greens' photographic and hi-fi business to Dixons Photographic. A deal worth around 7m. Elsewhere, a resurgence of speculative buying on bid hopes lifted Peters 3 to a 1979 high of 72p, while renewed investment demand promoted rises of 6 and 7 respectively in MFI Furniture, 147p, and Banners, 133p. Home Charm advanced 4 to 110p and J. Hepworth 3 to 30p.

Reckitt better

Miscellaneous Industrial leaders closed at the day's best helped by yesterday's late strength in gilts and the further reaction in sterling. Major exporters were especially buoyed by the latter and Reckitt's Colman showed a rise of 10 to 208p, while Metal Box, 270p, and Unilever, 516p, gained 6 pence. Bowater closed 2 to the good at 158p and Reed International 3 higher at 169p both seemingly unperturbed about the possibility of reducing UK newspaper production because of foreign competition. Elsewhere, Centraway

Oil shares edge higher

Oil shares maintained a quietly firm trend. British Petroleum fluctuated narrowly before closing 15 higher at 1,200p, while Shell firmed a few pence further

RTZ gain ground

Firmer metal prices on the London Metal Exchange, particularly copper, coupled with the strength of UK equities prompted a good demand for London-registered Financials. Last Rio Tinto-Zinc were outstanding with a gain of 10 at 280p, while Selection Trust added a like amount at 483p, Charter 7 to 140p, and Gold Fields 5 to 217p.

RISES AND FALLS YESTERDAY

Table showing Rises and Falls Yesterday for various categories like British Funds, Foreign Bonds, etc., with columns for Up, Down, and Same.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table showing FT-Actuaries Share Indices for various categories like Equity Groups & Sub-sections, Fixed Interest Price Indices, and Fixed Interest Yields.

RESIDENTIAL PROPERTY

A FREEHOLD IN MAYFAIR FOR SALE. HERTFORD HOUSE, HERTFORD STREET, W1. A unique period residence which has been virtually rebuilt, and decorated and modernized to the highest of standards.

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In association with Fineswiss S.A. of Geneva, we offer a good selection of flats and chalets in the cantons of Valais and Vaud. 75% mortgage, 14% per annum 31/20, with the right to acquire a first-class property with security, growth and shore pleasure.

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FLORIDA

Beautiful holiday homes for sale in the country setting on the edge of the Sunshine Coast. Easy access to the beach, golf, shopping, and all amenities. Call 0455 43085.

ART GALLERIES

AGNEW GALLERY, 43 Old Bond St. W.1. 01-625 6176. PERSIAN MINIATURES. An exhibition of seventeen pages from the 'Shahnameh' by the artist, Mirza Asadullah Khan, 1700-1750. Mon.-Fri. 9.30-5.30. Thurs. 9.30-12.00.

CLUBS

EVE has outlined the other because of a policy of fair play and value for money. Supper, drinks, and entertainment are included. 125, Regent St. London W.1. 01-437 6456.

COMPANY NOTICES

EUROPEAN DEPOSITORY RECEIPTS REPRESENTING STOCK OF KUBOTA LIMITED. A distribution of 0.343 per share of 1979 dividends is payable on 20th August 1979 upon presentation of a valid receipt to the office of any of the following depositories.

CONFERENCE

EUROCONFERENCE. Unique opportunity to join small group of senior executives to attend a conference in Europe. The Manager in Europe - Risks and Challenges. 17-19 October, 1979. Inclusive to £400. Contact: Mrs. Pat Wilby, Harrow College of Higher Education.

PUBLIC NOTICES

GLYNS COUNTY COUNCIL BILLS. 1979. 1. £1,000,000 bills maturing 31st March 1979. 2. £1,000,000 bills maturing 31st March 1979. 3. £1,000,000 bills maturing 31st March 1979. Total applications for the bills are £3,000,000.

NEW HIGHS AND LOWS FOR 1979

Table showing New Highs and Lows for 1979 for various categories like British Funds, Foreign Bonds, etc., with columns for New Highs and Lows.

RECENT ISSUES

Table showing Recent Issues for various categories like Arrow Chemicals, Fairline Boats, etc., with columns for Issue Price, High, and Low.

EQUITIES

Table showing Equities for various categories like Arrow Chemicals, Fairline Boats, etc., with columns for Issue Price, High, and Low.

FIXED INTEREST STOCKS

Table showing Fixed Interest Stocks for various categories like Aurora 8 1/2, English & Overseas Inv. Prof., etc., with columns for Issue Price, High, and Low.

"RIGHTS" OFFERS

Table showing Rights Offers for various categories like Abwood & Commercial Tools, Bank of New South Wales, etc., with columns for Issue Price, High, and Low.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table showing FT-Actuaries Share Indices for various categories like Equity Groups & Sub-sections, Fixed Interest Price Indices, and Fixed Interest Yields.

FIXED INTEREST PRICE INDICES

Table showing Fixed Interest Price Indices for various categories like British Government, etc., with columns for Index No., Day's Change, and 1979 High/Low.

FIXED INTEREST YIELDS

Table showing Fixed Interest Yields for various categories like 3 Low, 5 Medium, 15 High, etc., with columns for Index No., Day's Change, and 1979 High/Low.





AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Friends Provident Unit Trust, and National Unit Trust Managers Ltd. Includes columns for fund names, managers, and dates.

Table listing insurance and property bonds, including Crown Life Assurance, Lloyds Life Assurance, and various mutual funds. Includes columns for company names, policies, and values.

Table listing international and regional unit trusts, such as Transatlantic and Gen. Secs., and various international funds. Includes columns for fund names, managers, and dates.

Table listing offshore and overseas funds, including Alexander Fund, Keyser Ullmann Ltd., and various international investment funds. Includes columns for fund names, managers, and dates.

OFFSHORE AND OVERSEAS FUNDS

Table listing various offshore and overseas investment funds, including Alexander Fund, Keyser Ullmann Ltd., and various international investment funds. Includes columns for fund names, managers, and dates.

NOTES: This section contains important information regarding the unit trusts, including details on how to purchase units and the role of the trustees.

NOTES: This section contains important information regarding the insurance and property bonds, including details on policy terms and conditions.







INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, high/low, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like Royal Indemnity and Commercial Union Assurance.

PROPERTY—Continued

Table of property stocks including companies like Greenland Property and British Land.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Investment Trust and Anglo-Saxon Investment Trust.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like Lloyds Bank and National Westminster Bank.

International Financial DAIWA SECURITIES logo and name.

MINES—Continued

Table of mining stocks including companies like Anglo-American and Anglo-Platinum.

TINS

Table of tin stocks including companies like Anglo-Tin and Anglo-Tinners.

COPPER

Table of copper stocks including companies like Anglo-Copper and Anglo-Copper.

MISCELLANEOUS

Table of miscellaneous stocks including companies like Anglo-Industries and Anglo-Industries.

NOTES

Notes regarding stock prices and market conditions, including information on interest rates and market movements.

RECENT ISSUES and "Rights" Page 24

Information regarding recent issues and rights, including details on share offerings and subscription rates.

REGIONAL MARKETS

Regional market information for various areas, including London, New York, and other international markets.

OPTIONS 3-month Call Rates

Table of 3-month call rates for various options, including details on strike prices and rates.

DIAMOND AND PLATINUM

Table of diamond and platinum prices, including details on different grades and weights.

CENTRAL AFRICAN

Table of Central African stocks, including companies like Anglo-African and Anglo-African.

FINANCE

Table of finance stocks, including companies like Anglo-Finance and Anglo-Finance.

PROPERTY

Table of property stocks, including companies like Anglo-Property and Anglo-Property.

INSURANCE

Table of insurance stocks, including companies like Anglo-Insurance and Anglo-Insurance.

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PROPERTY

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Table of investment trusts, including companies like Anglo-Investment and Anglo-Investment.

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Table of finance and land stocks, including companies like Anglo-Finance and Anglo-Finance.

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Black-out of ITV spreads

INDEPENDENT Television programmes were not broadcast in three regions yesterday because of the pay dispute involving electricians, technicians, and studio staff. The companies affected were Thames, Ulster, and ITV. Other ITV regions are expected to be hit later in the week and yesterday all 15 commercial stations held talks at the Independent Television Companies' Association.

The ITV dispute has escalated since Friday when the electricians and NATKE turned down a 15 per cent offer recommended by their national negotiators. ACTT negotiators urged rejection of their 15 per cent deal. The situation is complicated by local productivity deals, but estimates put the overall union claims at 25 to 30 per cent. The tougher approach of the companies is based on a fear their recently booming advertising revenues will fall sharply next year as the recession begins to bite. ITV companies have traditionally bought off trouble.

Engineers' employers told to be firm

By Nick Garnett, Labour Staff THE 6,500 member companies of the Engineering Employers Federation were warned by their national negotiators yesterday that if they conceded the unions' claim on money and conditions they would be expected to resign. This tough stand, made in the face of a national overtime ban and three one-day strikes in support of a claim on minimum rates, appears to indicate a determination to resist industrial action forcefully.

THE LEX COLUMN Banks play the numbers game

On the foreign exchange markets sterling continued to fall sharply yesterday, but for the gilt-edged market the big event of the day was the publication of the July banking figures. At first sight they looked rather impressive and prices of long-dated gilts ended the day 1/2 better.

Index rose 7.0 to 466.6



For Smith took losses on its book after the election—having closed its financial year on May 4 with a net bull position in equities on the day the market hit an all-time peak. The picture has also recently become difficult in internationally traded securities such as gold mines—partly, it appears, because the ability to route profits through the premium-currency pool is no longer the bonus it used to be.

Carter to see Israeli ambassador

BY DAVID BUCHAN IN WASHINGTON PRESIDENT Jimmy Carter has intervened in an effort to halt the deterioration in U.S.-Israeli relations over Palestinian autonomy that is threatening negotiations on the West Bank. He is to meet Mr. Ephraim Evron, Israeli Ambassador to the U.S., at the White House today and has directed Mr. Robert Strauss, his new troubleshooter on the autonomy talks, to be prepared to go to the Middle East in the next two weeks.

that the UN resolution did not go far enough to accommodate legitimate Palestinian needs. The issue, Washington recognises, is political dynamite in Israel. The Administration's official position, that the U.S. will not recognise or negotiate in any way with the Palestine Liberation Organisation until the PLO accepts the substance of 242, has been reiterated in recent days. The possibility that the PLO might be willing to accept 242 is no longer totally discounted by some Administration officials, particularly those who feel that the autonomy talks are doomed unless leading West Bank Palestinians are involved.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers said yesterday that more than 100 companies had conceded the claim in full—including a one-hour reduction in the working week and a commitment to reduce basic hours to 35 by 1982. More than a dozen of these companies were federation members, he said.

Mr. John Porter, the federation's operations director, has sent a letter to the federation's 18 associations saying that any five member companies have made offers which may be above the national offer.

PO may borrow £50m more

By John Lloyd THE POST OFFICE has borrowed about £20m on the short term money markets in the past two weeks and may borrow a further £50m this week. The borrowings are to cover growing costs of revenue due to industrial action by workers handling computerised telephone bills.

OPEC to take fresh look at ways of breaking from dollar

BY RAY DAFTER, ENERGY EDITOR

MINISTERS from major oil-producing countries are to take a fresh look at ways of breaking away from the dollar as the basis for crude oil pricing. Finance ministers from nations in the Organisation of Petroleum Exporting Countries plan to discuss again the possibility of linking oil payments to a basket of currencies when they meet early next month.

no immediate plan for such a special meeting. Even so, the price of oil will almost certainly be discussed when the finance ministers meet. In Tehran yesterday, Mr. Cyrus Ibrahimzadeh, Iran's deputy finance minister, said that the meeting would concentrate mainly on the problem of the dollar. So far this year its decline has eroded the value of OPEC oil revenues by 6 to 10 per cent.

Union statements

In one of these cases, the offer has been withdrawn under pressure from the federation. In the other cases, says Mr. Porter, "these companies involved will be expected to withdraw their offers also, or to resign from the federation."

"These statements are untrue. Our members have repeatedly rejected local policies and, in line with the policy of the management board, support the stand being taken by negotiators." Mr. Duffy said yesterday that his executive was delighted with the response of his members to the one-day strike on Monday which hit production in a wide area of the country.

The £20m already borrowed was in two sums—£15m last week and £5m on Monday—both of which were repaid the next day. The £50m borrowing planned for this week would be likely to satisfy the cash needs of telecommunications until next week. Then postal reserves are expected to be replenished, and can be called on once more.

Citroen in talks with Soviets

BY ROBERT MAUTHNER IN PARIS

THE FRENCH Peugeot-Citroen car group is competing with Volkswagen of West Germany to secure a major role in the modernisation of the Soviet car industry. Its Citroen subsidiary said yesterday that it was holding talks with the Soviet Union aimed at concluding licensing and technical co-operation agreements. The statement followed Monday's announcement from Bonn that Volkswagen was involved in similar negotiations with the Soviets and with Czechoslovakia.

capacity of 130,000 cars and 158,000 engines. The Romanian company Oltcit, will produce an entirely new model at the factory under Citroen licence and the French company has undertaken to buy half the factory's output. The first cars are due to roll off the assembly lines at the beginning of 1980.

Weather

UK TODAY SCATTERED showers, bright or sunny intervals. London, S.E., Cent. S., N.W. England, East Anglia, Midlands, Wales, S. Wales, Lakes. Mainly dry with sunny intervals. Max 22C (72F).

WORLDWIDE

Table with columns for location, day, and temperature. Locations include Algiers, Ankara, Baghdad, Beirut, Berlin, Bonn, Bratislava, Bucharest, Budapest, C. Africa, Cardiff, Copenhagen, Dublin, Edinburgh, Frankfurt, Geneva, Glasgow, Harbin, H. Kong, Innsbruck, Istanbul, J. Man, Jerusalem, Jo'burg, L. Pans, Liabon.

Money supply

clearing banks as a whole have moved slightly further above the corset's penalty-free ceiling—by £88m compared with £5m previously. The numbers or identity of the banks have not been disclosed. The Bank of England figures show that for the first time the banking system as a whole is above the permitted limits. But after adjusting for Northern Ireland and very small banks, the system as a whole is still fractionally below the ceiling.

National Freight shares

to enable private motorists legally to share their cars with others. At the moment owners are—legally permitted—to advertise car sharing schemes only on noticeboards in clubs, churches, voluntary organisations and places of work. Under Mr. Fowler's proposals, the owners will have complete freedom to advertise their cars as a means of transport to work. But they will be allowed only to recover their costs.

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Manufacturers of Contiboard, Contiplus, Wood Veneers, Aropias, Laconite, Griffinite, Armaflex, Spanboard etc.

INTERIM REPORT Half-year to 31st March, 1979

Table with columns for Unaudited results for the half-year, Published Accounts for the year to, and Earnings per share—fully diluted (adjusted for Rights Issue). Rows include Turnover, Profit before taxation, Taxation, Profit after taxation, Interests of minority shareholders, Profit for the period attributable to the Group, Preference dividends, Profit attributable to Ordinary shareholders, and Earnings per share.

The Board is pleased to report a profit before taxation and minority interests of £2,004,000 for the half-year to 31st March, 1979. This satisfactory result has been achieved despite the adverse effects of the country-wide industrial disputes at the beginning of the year which affected production and profitability of some of your Group's factories.

The Board has resolved to pay an interim dividend in respect of the year ending 30th September, 1979 of 1.20p per Ordinary share (1978:1.00p) on 8th October, 1979. Dividend warrants will be posted on 5th October, 1979 to all Ordinary shareholders as at the close of business on 7th September, 1979 in respect of the shares then registered in their names.

The provision for taxation is an estimate of the corporation tax payable on the current half-year's profit. No further provision for deferred taxation is necessary as, in the opinion of the Board, the amount presently provided is adequate for any liability that is likely to arise in the foreseeable future.

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